

IN 1.2/W 45/1939
C.1



THE STATE OF COLORADO

REPORT No. 21

PUBLIC WELFARE AND THE WELFARE
AND CORRECTION INSTITUTIONS

FOR REFERENCE

NOT TO BE TAKEN FROM THIS ROOM

NO. 1935

LIBRARY BUREAU

Property of Colorado State
Department of Public Welfare
LIBRARY
Room 400, State Capitol
Denver 2, Colorado

R360.306
Gr

GRIFFENHAGEN & ASSOCIATES

DATE DUE

[illegible]

HIGHSMITH 45 220

Complete volume of study is filed in Office
of Accounts & Control Room 14

THE STATE OF COLORADO

REPORT No. 21

PUBLIC WELFARE AND THE WELFARE
AND CORRECTION INSTITUTIONS

Property of Colorado State
Department of Public Welfare
LIBRARY
Room 453, State Capitol Annex
Denver 2, Colorado

Colo. State Department
Public Welfare Library

G R I F F E N H A G E N & A S S O C I A T E S

Established 1911

Consultants in Public Administration and Finance

Denver, Colorado

To the Honorable,

The Governor and the

Members of the General Assembly

of the State of Colorado

Denver, Colorado

Sirs:

This report is submitted for inclusion in the series prepared to record in part the information brought out in the course of certain studies of state agencies that were made during 1938 for the purposes of planning improvements in the general organization of the state government. The information here recorded has to do with the functions, the internal organization, and the more important procedures of the welfare institutions of the state.

In the final pages a number of suggestions are offered on the problem of securing better supervision, greater coordination, and more effective service.

Yours faithfully,

Griffenhagen & Associates

Griffenhagen & Associates

TABLE OF CONTENTS

	<u>Page</u>
Introduction	1
Colorado State Hospital	2
Functions	2
Organization and Staff	3
Expenditures and Receipts	3
Plant and Equipment	5
Colorado Psychopathic Hospital	5
Functions	5
Organization and Staff	6
Expenditures and Receipts	7
State Home and Training School for Mental Defectives (Grand Junction)	9
Functions	9
Organization and Staff	10
Expenditures and Receipts	11
Plant and Equipment	13
State Home and Training School for Mental Defectives (Ridge)	13
Functions	13
Organization and Staff	14
Expenditures and Receipts	15
Colorado General Hospital	16
Functions	16
Organization and Staff	17
Expenditures and Receipts	21
Colorado State Reformatory	23
Functions	23
Organization and Staff	23
Expenditures and Receipts	24
General Plant and Equipment	26

State Industrial School for Boys	26
Introduction	26
Sources of Funds for Support of the School	26
Financial Administration	26
Receipts of the Cash Fund	30
Expenditures	35
The Trust Fund	43
Revolving Petty Cash Fund	44
Business Transactions with Employees	44
Gasoline; Purchases, Sales, Use, and Shortage ...	45
Introductory Remarks as to the Need for Reorganization	47
Some Problems Involved in Reorganization	48
Determining the Basis for Reorganization	53
Rules of the Board	53
Outline of Proposed Plan of Organization	56
Operating Costs Under the Proposed Plan of Organization	64
State Industrial School for Girls	65
Functions	65
Organization and Staff	65
Expenditures and Receipts	66
Colorado State Penitentiary	67
Functions	67
Organization and Staff	68
Expenditures and Receipts	69
State Home for Dependent and Neglected Children	72
Functions	72
Organization and Staff	73
Expenditures and Receipts	74
Soldiers' and Sailors' Home	75
Functions	75
Organization and Staff	76
Expenditures and Receipts	77
Comments on the Existing Situation with Regard to Supervision of State Institutions	78
Proposed Department of Institutions	81
Functions	81
State Board of Institutions	82
Managing Authority	82
Internal Organization	83

Digitized by the Internet Archive
in 2015

<https://archive.org/details/publicwelfarewel21grif>

PUBLIC WELFARE AND THE WELFARE AND CORRECTION INSTITUTIONS

Introduction:

This report deals primarily with the state's institutions, other than purely educational institutions. Its purpose is to review briefly the present organization and to outline a plan of organization for the general supervision of the institutions. The plan is suggested as a means of securing a better coordination of the state's functions and responsibilities in caring for and treating persons committed to its care.

The state owns, maintains, and operates eleven institutions aside from its purely educational institutions. Four of these eleven institutions are for the mentally ill and mentally defective, one is for the indigent sick, three are for the training and rehabilitation of juvenile delinquents and young offenders against the law, one is for the confinement of persons ordinarily termed criminals, and two are primarily charitable in purpose. These institutions are as follows:

Institutions for the mentally ill and defective:

- Colorado state hospital.
- Colorado psychopathic hospital.
- State home and training school for mental defectives (Grand Junction).
- State home and training school for mental defectives (Ridge).

Institutions for the care and treatment of the indigent sick:

- Colorado general hospital.

Institutions for the training and rehabilitation of juveniles and young offenders of the law:

- Colorado state reformatory.
- State industrial school for boys.
- State industrial school for girls.

Penal institutions:

- Colorado state penitentiary.

Charitable institutions:

- State home for dependent and neglected children.
- Soldiers' and sailors' home.

Colo. State Department
Public Welfare Library

Of these institutions, the State industrial school for boys was the only one studied intensively after the first survey. After a preliminary report was made to the Governor describing the unfortunate conditions found there, the school was subjected to a comprehensive examination. The results of the study are included in this report because they reveal conditions that have an important bearing on the general problem of proper supervision, management, and control of all the institutions.

Under the present plan of organization, all these institutions, with the exception of the Colorado psychopathic hospital and the Colorado general hospital which are under the control of the regents of the university of Colorado, are grouped into a "paper" division of public welfare of the so-called "Executive Department," headed by the Governor. Actually, each institution, with the exception of the two under the regents of the university, is an independent state agency in most cases with an independent governing board.

A general board of visitors for the institutions in the division of public welfare was created in 1933 and was vested with the power to "inspect" the institutions and to make recommendations to the Governor. This board is impotent so far as general supervision of the institutions is concerned. It may well be discontinued unless its powers are broadened.

In the following sections of this report the activities and services of each institution are briefly stated.

Colorado State Hospital:

Functions: The Colorado state hospital was established in the year 1879 under the name of the "Colorado Insane Asylum." In 1917 the name was changed to the present one.

The institution is maintained for (a) treating and caring for insane persons, (b) confinement and care of the criminal insane, (c) observation as to mental condition of persons charged with crimes, who plead not guilty by reason of insanity, (d) observation, examination, care, and treatment of insane inmates transferred from the reformatory or the penitentiary.

The inmate population of the Colorado state hospital has increased steadily over a period of twelve years as may be seen from the following tabulation:

<u>Date</u>	<u>Inmate population</u>
December 1, 1924	2425
" 1, 1926	2617
" 1, 1928	2843
" 1, 1930	2944
" 1, 1932	3184
" 1, 1934	3450
" 1, 1936	3961

Organization and Staff: A medical superintendent, reporting directly to the Governor, heads the institution and all of its activities and supervises directly the work of the following subordinates:

An assistant superintendent, responsible for the medical care of patients and general administrative duties.

A labor co-ordinator in charge of personnel and related problems.

A steward (business manager) in charge of purchasing, accounting, financial reporting, general office work; operation and maintenance of plant and equipment; operation of gardens, farm, laundry, and industries; food service, and housekeeping.

A welfare worker responsible for the supervision of paroled patients and for the social service activities.

A druggist responsible for manufacturing and dispensing pharmaceutical and medicinal preparations; dispensing prescriptions and medical supplies, and other related duties.

Two chaplains in charge of religious services.

A director of nursing service, responsible for the general care and nursing of all patients.

A clerk responsible for the records of patients and the compiling of statistical reports and related duties.

As of April 28, 1938 the institution had a total of 690 officers and employees.

In addition to cash compensation the superintendent reports that all employees receive board, room, laundry, medical attention, minor surgery, and limited hospital care.

Expenditures and Receipts: Expenditures for the fiscal year ended June 30, 1938 were as follows:

Personal services	\$ 492,852.35
Contractual services	40,680.53
Supplies and materials	455,095.34
Current charges	1,638.95
Equipment	76,629.10
New structures	14,700.11
Total	<u>\$1,081,596.38</u>

The average daily population of the institution for the fiscal year ended June 30, 1938 was 3,606. On this basis the annual current operating cost per patient (computed on basis of total expenditures less capital outlay) in the fiscal year 1937-38 was \$274.61 which is an increase over previous years due in part to the employment of additional personnel to comply with the eight hour a day law which became effective July 1, 1937. This per patient cost is somewhat higher than the per patient cost in similar institutions in the State of California (California institutions show a low per capita cost on account of extremely crowded conditions.) On the other hand the cost is somewhat lower than the per patient cost in eastern states. Considering the conditions and circumstances, the per patient cost of the Colorado state hospital seems to be reasonable. The institution appears to be generally well managed.

Receipts for the fiscal year ended June 30, 1938 were as follows:

General property taxes (for maintenance and operation)	\$291,655.00
General property taxes (for building purposes)	175,248.37
From U. S. government	12,586.32
From patients	43,670.94
Earnings of the institution	<u>16,885.03</u>
Total	<u>\$540,045.66</u>

In addition to the above receipts the Colorado state hospital had available for expenditure appropriations made by the thirty-first general assembly for the biennium 1937-39 as follows:

For maintenance and operation	\$1,265,000
For furnishings	60,000
For laundry equipment	<u>25,000</u>
Total	<u>\$1,350,000</u>

The general property tax for maintenance and operations is a levy of .26822 of a mil on each one dollar assessed valuation of all taxable property in the state. The general property tax for building purposes is a levy of .30792 of a mil on each one dollar assessed valuation of all taxable property in the state for each of the five years 1937 to 1941 inclusive, and a levy of .20528 of a mil on each one dollar assessed valuation of all taxable property in the state for each of the five years 1942 to 1946 inclusive.

The earnings of the institution in 1937-38 were mainly from the sales of livestock, produce, drugs, and junk.

Plant and Equipment: The Colorado state hospital is located at Pueblo in a rather barren district. However, the officials of the institution hope that irrigation will be secured in the near future which will make the location of the institution more desirable. The lack of coordination in the general lay-out and plan of the buildings as a whole has necessitated an excessive building operating cost. But the newer buildings erected under the direction of the present superintendent follow a long-range plan which, if carried out, will provide a well-planned hospital.

The institution estimated the value of its plant and equipment as of June 30, 1938 as follows:

Land	\$ 227,300
Buildings	2,779,656
Furniture and office equipment	156,000
Tools and equipment	198,446
Machinery	137,800
Livestock	48,960
Automotive equipment	2,925
Library	900
Total	<u>\$3,551,987</u>

Under the provisions of an initiated act, adopted November 7, 1916 the Colorado state hospital is compelled to accept patients committed to it regardless of the facilities available for their care and treatment. As a result of this act the ever-increasing population of the institution has resulted in crowded conditions. However, it is believed that the carrying out of the building program adopted by the thirty-first general assembly will remedy this situation at least for the immediate future. Consideration might be given to the requiring of all employees to live outside the grounds of the institution, in order to increase the facilities available for the care and treatment of patients. This should be merely a temporary expedient, for as a general rule hospital employees, especially those on the nursing and attendant staff, should be readily available in case of emergencies.

Colorado Psychopathic Hospital:

Functions: The Psychopathic hospital was established in the year 1919 and is located at Denver.

The hospital is under the supervision, management, and control of the board of regents of the university of Colorado and serves as a training ground for the school of medicine and nursing of the university. It is maintained for the care and treatment of legal residents of Colorado who are afflicted with a mental disease or disorder, or an abnormal mental condition.

Six classes of patients may be admitted to the hospital as follows: (1) voluntary public patients, (2) committed public patients, (3) voluntary private patients, (4) committed private patients, (5) voluntary part-pay patients, and (6) committed part-pay patients. All of the above classes of patients, with the exception of voluntary private patients, are admitted on the order of the county judge of the county in which the patient resides. Voluntary private patients may be admitted directly by the superintendent only when there are vacancies after all patients on court order are admitted.

A voluntary public patient is one who is admitted, through the county court, at his own request, or at the request of a person who has lawful custody or control over him.

A committed patient is one who is ordered by the court to submit to observation, care and treatment.

A private patient is one who pays the entire expense of his care and treatment.

A public patient is one who is maintained entirely at the expense of the state.

A part-pay patient is one who pays part of the expense for care and treatment.

Organization and Staff: A medical superintendent heads the hospital. The superintendent also heads the Colorado general hospital and is dean of the school of medicine and nursing of the university.

The staff, as of January 22, 1938, comprised 102 positions as follows:

Administrative (10)

- Secretary to director
- Stenographer and admission clerk
- Stenographer (3)
- Statistical clerk
- Record librarian
- Clerk (2)
- Errand boy

Medical and General Care and Treatment (82)

Director
 Assistant director
 Resident psychiatrist
 Assistant psychiatrist
 Assistant physician (Commonwealth fellow) (7)
 Laboratory technician
 Occupational therapist
 Director of psychiatric social service
 Dentist
 Associate director of nursing service
 Assistant to associate director of nursing service
 Night supervisor (2)
 Floor supervisor (2)
 Supervisor (fever therapy)
 Head nurse (4)
 Insulin nurse (3)
 Clinic nurse
 General duty nurse (22)
 Nurses' assistant (2)
 Attendant (25)
 Psychiatric social worker (3)

General Household (10)

Housekeeper
 Maid (5)
 Houseman (4)

Expenditures and Receipts: Expenditures for the fiscal year ended June 30, 1938 were as follows:

Personal services	\$105,764.56
Contractual services	61,872.88
Supplies and materials	13,561.79
Current charges	2,154.19
Equipment	515.30
Land	<u>1,282.48</u>
Total	<u><u>\$185,151.20</u></u>

Expenditures during years prior to 1938 were as follows:

Fiscal year ended June 30, 1933	\$151,976.92
" " " June 30, 1934	127,311.89
" " " June 30, 1935	134,575.56
" " " June 30, 1936	167,966.63
" " " June 30, 1937	184,263.26

The institution is supported by legislative appropriations together with cash collections and earnings of the institution. It also has a special mil levy to finance a ten years' building program. The thirty-first general assembly appropriated the sum of \$170,000 for maintenance and operation in the biennium 1937-39, of which amount \$85,000 was used in the fiscal year 1937-38.

The cash collections and earnings of the institution, during the fiscal year 1937-38, were as follows:

From patients	\$85,255.74
From Commonwealth fund	10,500.00
From committee for suicide study	1,680.00
From occupational therapy	281.06
From outpatient clinic fees	197.10
From other sources	<u>508.43</u>
Total	<u>\$98,422.33</u>

The ten-year building program is financed by a levy of .015 of a mil on each one dollar assessed valuation of all taxable property in the state for each of the five years 1937 to 1941, inclusive, and a levy of .01 of a mil on each one dollar assessed valuation of all taxable property in the state for each of five years 1942 to 1946, inclusive. An amount of \$8,537.04 was received from this source in the fiscal year 1937-38, but no expenditures were made.

The accounting records of the psychopathic hospital are kept in the accounting office of the Colorado general hospital. This office serves the Colorado general hospital, the psychopathic hospital and the school of medicine. The accounting costs are prorated to the three institutions.

The constitution of the state of Colorado provides that the university of Colorado shall have exclusive control over all funds of the psychopathic hospital. Under this provision the psychopathic hospital makes no accounting to the state concerning expenditures or receipts - it merely draws each month one twenty-fourth of the amount of the appropriation made for the biennium.

Obligations are vouchered for payment at the institution and forwarded to the university at Boulder where checks are issued.

Receipts are deposited by the institution in a local bank and the duplicate deposit slips are forwarded to the university.

State Home and Training School for Mental Defectives (Grand Junction):

Functions: The State home and training school for mental defectives at Grand Junction was established in the year 1919. It is located about two miles east of Grand Junction and occupies the site formerly occupied by the Indian school.

The management of the institution is supervised by a board of commissioners composed of three members appointed by the Governor with the consent of the Senate for six-year overlapping terms. This board also serves the institution for mental defectives at Ridge.

The institution is maintained for feeble-minded persons, incapable of receiving instruction in the public schools, and for epileptics and feeble-minded adults unable to care for themselves or their property, and who are bona fide residents of Colorado or whose legal guardians are bona fide residents of Colorado. The institution may accept feeble-minded persons from outside the state only when there are vacancies after Colorado residents have been cared for and provided that such persons pay the equivalent of the cost of their maintenance.

The inmate population of the institution increased slowly between the years 1931 and 1935 but a substantial increase occurred between 1935 and 1937 as may be seen from the following table:

<u>Date</u>	<u>Inmate population</u>
June 30, 1931	266
June 30, 1933	275
June 30, 1935	284
June 30, 1937	347

The inmate population, as of June 30, 1937, was classified as follows:

Morons	124
Imbeciles	127
Idiots	92
Senile dementia patients	<u>4</u>
Total	<u>347</u>

Every effort should be made to exclude persons who fall in the senile dementia class from an institution of this kind.

The following article which recently appeared in a local newspaper should be of interest to Colorado.

"The superintendent of one of Virginia's hospitals for the mentally defective reduced the controversial question of sterilization to flat economics Monday and estimated Virginia's legally-sanctioned work in that field would save the state \$370,800,000 in the course of a century.

"Since 1924 there have been 3,091 recorded sterilizations performed in Virginia - about one-ninth the number reported for the entire United States, Dr. J. S. Dejarnette, superintendent of the state hospital at Staunton, Va., told the state hospital board.

"In estimating the money the state would save by preventive eugenics, the psychiatrist said he assumed that each of the 3,091 patients would have had twenty defective descendants in 100 years, a total of 61,800.

" 'Assuming they would each average thirty years of life,' he added, 'we would have 1,854,000 defectives in the state for one year. With a per capita cost per year of \$200 the state is saved in 100 years the burden of \$370,800,000 or \$3,708,000 per year.'

"Aside from the saving on institutionalization, he said, the state would receive in the future untold dividends from the obliteration of a major cause of crime and misery.

"Dr. Dejarnette said eugenic sterilizations should be encouraged 'since it will do more to empty our mental hospitals and at the same time raise the mental standard of our people than any other procedure.'"

Organization and Staff: A medical superintendent, who receives a salary of \$3,000 a year and full maintenance, heads the institution and is responsible for the direction of all of its activities. He is in the classified service of the state.

The staff under the medical superintendent comprised 45 positions as follows as of December 30, 1937.

Administrative (2)

Steward
Clerk-typist

General Care and Treatment (23)

Matron
 Supervisor
 Assistant supervisor
 Nurse
 Practical nurse
 Hospital attendant
 Head attendant
 Dormitory attendant (14)
 Ward attendant
 Utility attendant (mending shoes and clothes)

General Household (10)

Cook
 Assistant cook
 Seamstress
 Assistant seamstress
 Laundryman
 Laundry attendant
 Houseman
 Domestic (in charge of dining rooms)
 Domestic (in charge of employees' dormitory)
 Domestic (in charge of superintendent's residence)

Operation and Maintenance of Plant and Equipment (10)

Ranch foreman
 Ranch hand
 Assistant farmer and herdsman
 Tractor operator and ranch hand
 Truck driver
 Gardener
 Painter and carpenter
 Repairman
 Night fireman
 Day fireman

The ratio of the number of inmates to officers and employees at the state home and training school for mental defectives at Grand Junction in the fiscal year 1937-38 was almost 8 to 1, while the corresponding relation for the state home and training school for mental defectives at Ridge for the same period was approximately 5.3 to 1.

Expenditures and Receipts: Expenditures for the fiscal year ended June 30, 1938 were as follows:

Personal services	\$ 31,973.45
Contractual services	13,086.86
Supplies and materials	55,156.04
Current charges	274.56
Current obligations	157.20
Equipment	1,624.36
New structures	<u>34,699.85</u>

Total	<u>\$136,972.32</u>
-------	---------------------

Expenditures for new structures represents the cost of a hospital admitting building which was erected in 1937-38 in cooperation with the federal government under a P.W.A. project. This was financed by the special mil levy for building purposes.

The average daily population of the institution for the fiscal year ended June 30, 1938 was 364. On this basis the annual current operating cost per inmate (computed on basis of total expenditures less capital outlay) in the fiscal year 1937-38 was \$276.50.

The following table contains comparable data for Colorado's two institutions for mental defectives and is based on the fiscal year 1937-38.

	<u>Grand Junction</u>	<u>Ridge</u>
Average daily number of inmates	364	265
Total operating cost	\$100,648.11	\$69,233.35
Per inmate cost	276.50	261.24
Cost of salaries and wages	31,452.00	33,205.00
Cost of salaries and wages per inmate	86.41	125.68
Cost of food supplies	24,986.00	13,010.00
Cost of food supplies per inmate	68.64	49.09
Cost of clothing supplies	4,158.43	2,293.05
Cost of clothing supplies per inmate	11.42	8.65

It is significant from the above figures that Grand Junction expends much less per inmate for personal services, and considerably more for supplies and materials than does Ridge.

The operation and maintenance of the state home and training school for mental defectives at Grand Junction is financed entirely by legislative appropriations and earnings of the institution. The thirty-first general assembly appropriated an amount of \$210,000 for the biennium ending June 30, 1939. The earnings of the institution in the fiscal year 1937-38 were as follows:

Sale of livestock	\$1,372.08
Contributions	1,001.04
Sale of metered water	292.22
Motor fuel refund	108.00
Fire insurance refund	11.26
Sale of boiler and radiator	65.00
Personal telephone calls	8.85
Total	<u>\$2,858.45</u>

The institution has for building purposes a special mil levy of .0258 of a mil on each one dollar assessed valuation of all taxable property in the state for each of the five years 1937 to 1941, inclusive, and a levy of .0172 of a mil on each one dollar assessed valuation of all taxable property in the state for each of the five years 1942 to 1946, inclusive. An amount of \$44,797.10 was received from this source in 1937-38.

Plant and Equipment: The institution estimated the value of its plant and equipment as of June 30, 1937 as follows:

Land	\$ 18,000
Buildings and improvements	369,000
Machinery	20,000
Tools, implements, and tractor	3,470
Furniture and equipment	91,000
Automobiles and trucks	1,750
Livestock	5,760
Lands and water rights	1,680
Total	<u>\$510,660</u>

State Home and Training School for Mental Defectives (Ridge):

Functions: The state home and training school for mental defectives, located at Ridge, Colorado, was established in 1909, but was not opened until 1912.

The management of the institution is supervised by a board of commissioners composed of three members appointed by the Governor with the consent of the senate for six-year overlapping terms. The board of commissioners also supervises the management of the state home and training school at Grand Junction.

The institution at Ridge is maintained for feeble-minded persons incapable of receiving instruction in the public schools, also epileptics and feeble-minded adults unable to care for themselves or their property, and who are bona fide residents or their legal guardians are bona fide residents of Colorado. The institution may accept feeble-minded persons from outside the state only when there are vacancies after Colorado needs have been cared for and provided that such persons pay the equivalent of what it costs to keep them.

The inmate population of the institution has increased fairly rapidly in recent years as may be seen from the following table:

<u>Date</u>	<u>Inmate population</u>
June 30, 1926	106
June 30, 1931	112
June 30, 1936	201
June 30, 1937	265

Organization and Staff: A medical superintendent heads the institution and is responsible for the direction of all of its activities. He is in the classified civil service of the state.

The superintendent receives a salary of \$3,000 a year and a furnished house and full maintenance for himself and family.

The staff, under the superintendent, comprised 49 positions as follows as of January 31, 1938.

Administration (2)

Steward
Commissary clerk

General Care and Treatment (32)

Medical doctor (part-time)
Supervisor (2)
Registered nurse
Attendant (28)

General Household (8)

Matron
Cook
Laundryman
Laundress
Domestic (3)
Seamstress

Instruction (1)

Teacher

Operation and Maintenance of Plant and Equipment (6)

Engineer
Assistant engineer
Dairyman
Farmer
Gardener
Handyman

The ratio of the number of inmates to officers and employees at the institution in the fiscal year 1937-38 was 5.3 to 1.

Expenditures and Receipts: Expenditures for the fiscal year ended June 30, 1938 were as follows:

Personal services	\$33,205.49
Contractual services	5,565.83
Supplies and materials	28,685.77
Current charges	1,776.26
Equipment	654.27
Major repairs	785.00
New structures	<u>14,680.00</u>

Total	<u><u>\$85,352.62</u></u>
-------	---------------------------

The average daily population of the institution for the fiscal year ended June 30, 1938 was 265. On this basis the annual current operating cost per inmate (computed on basis of total expenditures less capital outlay) in the fiscal year 1937-38 was \$261.24. This compares favorably with the current operating cost per inmate of the state home and training school for mental defectives at Grand Junction which was \$276.50 in the fiscal year 1937-38.

The institution's water supply failed in the year 1937-38 with the result that it was necessary to incur an expenditure of \$14,300 to drill a deep well. In the absence of an appropriation to which this expenditure could be charged, the Governor ordered the issuance of certificates of indebtedness.

An amount of \$380 was expended in 1937-38 for surveying and preliminary work in connection with the building program.

Other items of capital outlay in 1937-38 were the construction of a porch on the superintendent's residence which cost \$385 and the construction of a lawn for \$400.

The operation and maintenance of the institution is financed entirely by legislative appropriations and earnings of the institution. The thirty-first general assembly appropriated an amount of \$130,000 for the biennium ending June 30, 1939. The earnings of the institution in the fiscal year 1937-38 were as follows:

Sale of livestock	\$ 868.70
Received from pay patients	1,250.00
Motor fuel refund	34.32
Sale of lettuce	8.00
Sale of empty sacks	15.25
Refund on insurance	<u>2.84</u>

Total	<u><u>\$2,179.11</u></u>
-------	--------------------------

The institution has a special mil levy for building purposes, of .0258 of a mil on each one dollar assessed valuation of all taxable property in the state for each of the five years 1937 to 1941, inclusive, and a levy of .0172 of a mil on each one dollar assessed valuation of all taxable property in the state for the years 1942 to 1946, inclusive. An amount of \$14,683.71 was received from this source in 1937-38.

The legislature, over a period of years, has not been over generous in making appropriations to the state home and training school for mental defectives at Ridge. As a result the institution has found it necessary to neglect the proper maintenance of plant and equipment so that today the institution is in a run-down condition. This neglect of capitol assets is a near-sighted policy and may well prove to be expensive to the state in the long run if experiences in other states are any criterion.

Colorado General Hospital:

Functions: In the year 1921 the legislature provided a tax to be levied in the years 1921 and 1922 for the constructing, equipping, and furnishing of buildings for the school of medicine of the university of Colorado. In the year 1923 the legislature named the buildings thus constructed the "Colorado General Hospital."

The board of regents of the university of Colorado is vested with the power to manage, control, and govern the hospital under such rules and regulations as it may prescribe, and to appoint all officers and employees.

The hospital is maintained primarily for the care of legal residents of Colorado who are afflicted, not with chronic illness, but with a malady, deformity, or ailment of a nature which can probably be remedied by hospital care and treatment, and who are unable financially to secure such care. The hospital is utilized by the school of medicine for training purposes and research work.

The majority of the patients at the hospital are what are known as "county patients." In order to gain admittance for such a patient an application must be filed either by the patient or by others with his consent with the county commissioners of the county in which the applicant is a legal resident. Upon receipt of the application the county commissioners cause to be made (1) a thorough examination of the financial condition of the applicant and (2) a physical examination of the applicant. The county commissioners approve the application if they find that the applicant, or the person having legal custody of the applicant or legally responsible for his support and maintenance, is financially unable to provide for the necessary hospitalization, and that the applicant is afflicted with a malady, deformity or ailment which can probably be remedied by care and treatment in the Colorado general hospital. After the county

commissioners approve the application they communicate with the superintendent of the hospital and ascertain whether or not the applicant can be received as a patient. A copy of the application, the physician's report, and the order of the county commissioners approving the application, are forwarded to the superintendent of the hospital. The superintendent, however, may only admit applicants, who, in his opinion, are suitable cases and if he believes there is a reasonable probability that they will be benefited by hospital care and medical or surgical treatment.

For each county patient the hospital makes a monthly charge against the county of legal residence for one half the per diem cost per patient as determined by the board of regents. In case a county patient can pay part of the cost for care and treatment at the hospital, the amount he shall pay is determined by county commissioners and is divided equally between the credit of the state and of the county. In such cases the county is charged with half the per diem cost less half the per diem amount paid by the patient.

Any legal resident of the state, upon satisfying the board of regents that he is unable to pay ordinary physician's fees and private hospital charges, may be received at the hospital upon paying at a rate based upon the actual per diem expense at the time of entering.

Students of the university, and such other patients as the board of regents may direct, to an extent that will not interfere with the primary purpose of the hospital, may be received whenever there are vacancies.

The board of regents may always admit to the hospital such cases as they may deem to be emergency cases.

Inmates of state institutions may also be admitted to the hospital if the superintendent deems them to be proper cases. State institutions must pay to the hospital the per diem cost per patient.

The superintendent is vested with the power to discharge patients when he believes it to be advisable.

Organization and Staff: The hospital is headed by a medical superintendent, who also heads the psychopathic hospital and is the dean of the school of medicine and nursing.

The staff as of January 21, 1938, comprised 257 positions as follows:

Executive Department (2)

Admission clerk
Stenographer

Accounting Department (5)

Accountant
Bookkeeper
Cashier
Voucher clerk and stenographer
Personnel clerk

Telephone and Information (4)

Telephone operator (3)
Telephone operator (part-time)

Business Department (7)

Business manager
Secretary
Stenographer
Storekeeper
Invoice clerk
Property clerk
Mail boy

Housekeeping Department (26)

Head cook
Assistant cook (2)
Night cook
Dietician
Assistant dietician
Baker
Stewardess
Pantry maid
Pantry assistant (2)
Diet kitchen maid (3)
Kitchen porter
Cafeteria man
Scullery man
Vegetable man
Dishwasher
Relief help
Head janitor
Janitor (2)
Window washer
Pilot (2)

Laundry Department (15)

Forelady
Ironer (10)
Helper
Washman
Laundry carrier
Checker and sorter

Sewing Room (2)

Sewing woman (2)

Engineers Department (13)

Chief engineer

Engineer (3)

Helper

Carpenter (2)

Painter (2)

Maintenance man

Gardener (2)

Electrician and Engineer

Garage (2)

Chauffeur

Mechanic

Watchman (1)

Night watchman

House Staff (14)

Resident physician

Resident surgeon

Intern (12)

Nursing Staff (61)

Director (services divided between hospital and school of medicine)

Assistant director

Night supervisor (2)

Floor supervisor (2)

Head nurse (6)

Night assistant

General duty nurse (44)

Nurses assistant

Student help (3)

Wards (32)

Maid (19)

Houseman (3)

Orderly (10)

Pharmacy (2)

Pharmacist

Assistant pharmacist

Record Room (5)

Librarian
 Assistant librarian
 Stenographer (2)
 Office boy

X-Ray (4)

Roentgenologist
 Fellow in roentgenology
 X-Ray technician (2)

Physiotherapy (3)

Physiotherapist
 Student physical therapist
 Helper

Operating Room (12)

Anesthetist (services divided between hospital and school of
 medicine)
 Assistant anesthetist
 Supervisor
 Assistant supervisor
 General duty nurse (5)
 Orderly (2)
 Maid

Surgical Supply Room (1)

Maid

Outpatient Department (33)

Supervisor
 Assistant supervisor
 Nurse (10)
 Maid (2)
 Orderly
 Assistant in oto-laryngology (2)
 Refractionist
 Assistant in dermatology
 Dentist
 Assistant in medicine (3)
 Assistant in medicine (services divided between hospital and
 school of medicine)
 Assistant in urology
 Assistant in obstetrics
 Admission clerk
 Clerk (4)
 Janitor
 Janitress

Social Service Department (6)

Director
 Social worker (3)
 Secretary
 Stenographer

Nurses Home (6)

House mother
 Maid (3)
 Houseman
 Office assistant

Undertaker (1)

Undertaker

The organization unit titles and the position titles used in the above tabulation are those recognized by the hospital.

Expenditures and Receipts: Expenditures for the fiscal year ended June 30, 1938 were as follows:

Personal services	\$232,257.35
Contractual services	19,138.22
Supplies and materials	152,432.33
Current charges	2,008.49
Equipment	<u>34,729.18</u>
Total	<u>\$440,565.57</u>

Expenditures of years prior to 1938 were as follows:

Fiscal year ended June 30, 1933	\$314,491.10
" " " June 30, 1934	270,108.07
" " " June 30, 1935	298,219.18
" " " June 30, 1936	371,285.58
" " " June 30, 1937	474,738.62

From the table of expenditures for the fiscal year ended June 30, 1938 it may be observed that more than half of the total expenditures were for salaries. The major items of expenditures under contractual services were (1) water \$1,286, (2) postage \$3,069, (3) repairing and servicing property \$4,230, (4) telephone \$6,191. Under supplies and materials the major items were (1) food supplies \$70,174, (2) coal \$14,299, (3) medical supplies \$39,658.

The Colorado general hospital is supported by legislative appropriations together with cash collections and earnings. It also has a special mil levy to finance a ten-year building program. The thirty-first general assembly appropriated \$275,000 for support and maintenance for the period July 1, 1937 to June 30, 1939 and \$30,000 for the purchase and installation of a new boiler for the power plant.

The cash collections and earnings of the hospital for the fiscal year 1937-38 were as follows:

From counties	\$ 98,624.25
From patients (part-payments)	34,161.93
From outpatient fees	1,802.49
From psychopathic hospital (services and supplies)	75,391.87
From school of medicine (services and supplies)	31,017.51
Recoveries from P.W.A. construction	11,464.79
From cafeteria	6,784.12
From pharmacy	8,707.92
From gifts	1,400.00
From other sources	<u>8,143.51</u>
Total	<u>\$277,498.39</u>

The ten-year building program adopted by the thirty-first general assembly provided the hospital for the purpose of financing the program a levy of .0252 of a mil on each one dollar assessed valuation of all taxable property in the state for each of the five years 1937 to 1941, inclusive, and a levy of .0168 of a mil on each one dollar assessed valuation of all taxable property in the state for the years 1942, 1943, 1944, 1945, and 1946. An amount of \$14,342.25 was received from this source in the fiscal year 1937-38, but no expenditures were made.

The Colorado general hospital does the accounting work for the psychopathic hospital and the school of medicine. The accounting costs are prorated to these institutions.

Under the provisions of the state constitution the university of Colorado has exclusive control over the funds of the hospital. Obligations are audited and paid by the university. The state auditor and state treasurer have no control whatever over the funds of the hospital.

Colorado State Reformatory:

Functions: The Colorado state reformatory was established by the legislature in the year 1889.

The reformatory is maintained for (a) male persons between the ages of sixteen and twenty-one convicted of felony for the first time by the courts of the state having criminal jurisdiction, (b) male persons between the ages of twenty-one and twenty-five who are committed to the institution by the trial judge (apparently in practice the trial judge decides whether persons in this age bracket shall be committed to the reformatory or the state penitentiary), (c) male persons between the ages of sixteen and twenty-five convicted of a misdemeanor where the term of imprisonment is not less than ninety days; except male persons in the above age brackets convicted of crimes involving the penalty of imprisonment for life, or the crime of murder in the first or second degree or voluntary manslaughter.

Occupational activities are provided for the inmates only in so far as they are assigned to the operation and maintenance of the institution as there is no vocational or educational program in operation. For the rehabilitation of inmates of an institution of this kind it is imperative that vocational and academic education be supplied in an attempt to return the inmates to society as worthwhile citizens. The warden recognizes this deficiency but the absence of such a program is attributed to the lack of funds. The warden, however, hopes to obtain from the thirty-second general assembly an adequate appropriation to place in effect a vocational and educational program.

The average daily population for the fiscal year ending June 30, 1938 was 172.

Organization and Staff: The reformatory is headed by a warden who is directly responsible to the Governor. He is in the classified civil service of the state and is compensated at the rate of \$2,500 a year in addition to living quarters and full maintenance for himself and his family. The staff, under the warden, comprised 23 positions as follows as of January 1938.

<u>Administrative (1)</u>	<u>Annual Salary</u>
Supervisor	\$1,800
<u>General Care and Custody (15)</u>	
Deputy warden	1,920
Guard (6)	1,080 each
Overseer (7)	(5 @ 1,200 each
	(2 @ 1,500 each
Storekeeper*	1,500

*This employee now performs the duties of an overseer.

<u>Buildings and Grounds (5)</u>	<u>Annual Salary</u>
Farm superintendent	\$1,800
Stock superintendent	1,500
Mechanic	1,650
Overseer (dairy and stock yards)	1,500
Overseer (ranch)	1,200
<u>General Household (2)</u>	
Overseer (kitchen, dining room, and bakery)	1,200
Tailor (supervises laundry, barber shop, shoe repair shop, printing shop, and tailor shop)	1,500

In addition to the above cash compensation, five employees receive one meal a day; one employee receives two meals a day; eight employees receive three meals a day; eight employees receive three meals a day and furnished quarters, and one employee receives three meals a day and a furnished house.

Expenditures and Receipts: Expenditures for the fiscal year ended June 30, 1938 were as follows:

Personal services	\$37,290.32
Contractual services	8,407.27
Supplies and materials	26,688.92
Current charges	3,509.45
Equipment	5,139.55
Major repairs	1,349.78
New structures	31,241.29
Land	<u>4,400.00</u>
Total	<u>\$118,026.58</u>

The annual current operating cost per inmate (computed on basis of total expenditures less capital outlay) during the fiscal year 1937-38 was \$441.25.

The total amount expended for food supplies in 1937-38 was only \$5,119.22. The small expenditure for this purpose is due to the fact that most of the products of the institution's lands are consumed by the institution.

Equipment purchased in 1937-38 was as follows:

Mowers	\$ 185.02
Plows	203.06
Potato digger	229.23
Air compressor	2,184.63
Concrete mixer	958.47
Hot water tanks	281.76
Finger print machine	100.00
Binoculars	40.00
Shoe patching machine	37.50
Household equipment	388.23
Sheep	375.00
Office equipment	<u>156.65</u>
Total	<u>\$ 5,139.55</u>

The amount of \$1,349.78 expended for "major repairs" in 1937-38 was for reconditioning and re-setting an old boiler in the new shop building.

The reformatory has a special mill levy for a ten-year building program. In 1937-38 an amount of \$31,241.29 was expended for the construction of a new shop building, new concrete grain bins, and new bake shop.

An amount of \$4,400 was expended in 1937-38 for the purchase of 440 acres of land.

The operation and maintenance of the institution is financed by legislative appropriations and earnings of the institution. For this purpose, the thirty-first general assembly appropriated an amount of \$170,000 for the biennium ending June 30, 1939. The earnings for the fiscal year 1937-38 were as follows:

Sale of wool	\$ 1,100.30
Sale of hogs	1,068.72
Sale of sheep	2,050.00
Sale of potatoes	639.00
Sale of milk and butter	448.00
Sale of dirt	840.00
Sale of cattle	40.00
Sale of junk	95.25
Sale of hides	107.78
Sale of sheep pelts	91.20
Sale of brick and cement	14.20
Sale of lime and sulphur	3.00
Gasoline tax refund	128.12
Refund of expenditures	<u>7.81</u>
Total	<u>\$ 6,633.38</u>

The special mill levy for building purposes is .03 of a mill on each one dollar assessed valuation of all taxable property in the state for each of the five years 1937 to 1941 inclusive, and a levy of .02 of a mill on each one dollar assessed valuation of all taxable property in the state for each of the five years 1942 to 1946 inclusive. An amount of \$17,074.09 was received from this source in 1937-38.

General Plant and Equipment: When the present warden of the Reformatory took office in 1933 he found the general plant and equipment in a run-down condition. Maintenance had been deferred for years. Much has been done since 1933 in the way of repairs and improvements but the lack of funds has been a severe handicap with the result that there still exists a need for the adoption of an adequate maintenance policy at the institution.

State Industrial School for Boys:

Introduction: As stated in the introduction to this volume, an intensive examination was made of the state industrial school for boys at Golden. Here conditions were found that have an important bearing on the general problem of proper supervision, management, and control of all of the welfare and correction institutions. The sections that follow are portions of reports rendered to the members of the board of control of the institution during 1938.

Sources of Funds for Support of the School: The state industrial school operates under two funds, one known as the revenue fund and the other as the cash fund. The revenue fund represents the appropriation made biennially by the general assembly, \$265,000 for the biennium 1937-1939; the cash fund is the fund to which all the cash receipts of the institution are supposed to be credited. The institution also has a \$1,500 petty cash fund from which emergency purchases are made.

Financial Administration: General Comments: The chief clerk is the chief financial officer of the school, and he keeps the records of accounts and other related financial data. There is no effective budgetary control of resources and expenditures; no co-ordination of administrative activities; and no accounting and current audit control of supplies, materials, and properties purchased by the school, to insure that value is received for each dollar spent and that purchases are made solely for the benefit of the school. There are no written rules or regulations governing any phase of the administration of the financial affairs of the school. The accounting system is merely a record of receipts and disbursements and the so-called classification of expenditures is misleading and meaningless on account of the broad classes of expenses. The chief clerk labors over statements which purport to be budget allotments but are actually of very little value.

Accounting Records: The books of account maintained at the institution are as follows:

- (1) Voucher register
- (2) Payroll book
- (3) Vendors' ledger
- (4) Boys' deposit fund ledger
- (5) Payroll attendance record
- (6) Register of receipts

The voucher register is the book in which all claims against the school are supposed to be entered. It provides for voucher number, name of vendor, amount of each claim, and several columns for the classification of expenditures. The classification columns are entirely inadequate to afford a breakdown of expenditures of any value for expenditure control purposes or any basis for computing unit costs. The expenditure statements, prepared from such an accounting record, are practically meaningless and the time involved in preparing them is a total loss.

The payroll register is a book in which is recorded the name and rate of pay of each employee as well as pension and other deductions, if any, and the net amount paid in each case. The keeping of this record entails a great deal of unnecessary work in rewriting the name of each employee each month. The same information could be obtained with much less labor if a card were kept for each employee. The card, in addition to providing space for the entering of monthly payments, could be drawn up so as to accommodate other valuable permanent data such as education, previous experience, civil service status, date of entering the service, rate of pay, and changes in status.

The vendors' ledger is a register in which an account is kept showing the payments to each person, firm, or corporation doing business with the school. This record serves no useful purpose. It is never reconciled with the voucher register and the chief clerk keeps it posted up to date just because it was the custom in the past to do so.

The boys' deposit fund ledger is a register in which is kept an account with the money belonging to each boy. The name of the boy is written at the top of the account sheet. Deposits are entered in the debit column of the account, withdrawals in the credit column, and the balance column indicates the amount of money in the account at any given time. The assistant chief clerk is in charge of the register. The boys are required to turn over any cash they may have when they enter the school or that they may receive after they enter the school, to the assistant chief clerk and he charges their accounts with the amounts received. If a boy wishes to make a purchase he makes out a requisition slip stating thereon the commodity that he desires. The assistant chief clerk each day makes the purchases requested on these slips and distributes the commodities to the boys. He then credits the amount of the purchase in each case to the appropriate account on the boys' deposit fund ledger.

A payroll attendance register is kept in which is listed the name of each employee of the school. Each employee is required to report daily to the office of the chief clerk and place a check-mark in the space provided in the payroll attendance register to record his attendance on duty for the day. An examination of this register disclosed that employees placed check-marks ahead one or two days so as to avoid having to report to the office each day. Other employees failed to "check-in" for several days, as evidenced by blank spaces on the register. This is an extremely loose method of attendance control.

The receipts ledger is a register in which is supposed to be entered all moneys received by the school. The description column shows from what source or sources recorded moneys were received and the amount column shows the amount of such moneys from each source.

Purchasing: The purchasing of commodities in quantity for predetermined needs is not at all encouraged by the institution. Generally, each department of the institution requisitions the supplies and materials it requires and purchase orders are issued by the state purchasing agent on the basis of the individual requisitions. Many purchases are made before the orders are issued. For certain supplies the chief clerk calls for bids on a quarterly bid basis from at least three vendors. The bids are opened at the school, tabulated, and orders or contracts awarded in the presence of the state purchasing agent.

Budgetary Control: The chief clerk attempts to segregate the appropriation for the year into departmental allotments but in the absence of planning and estimating for future needs, of any adequate classification of expenditures, and of any means of exercising current budgetary accounting control, this procedure is of practically no effect.

So long as the school is permitted to spend moneys from a cash fund, a complete budget should be formulated and adopted for each fiscal year. The budget should comprehend the means of financing - the general revenue appropriation for the year and the available balance and estimated receipts of the cash fund - and the complete and detailed expenditure program. The ordinary expenses should be detailed by units of organization, under units of organization by services (such as food service), and under services by classes of commodities and services or objects of expenditures. Major repairs, remodeling, reconstruction and new construction projects, needed equipment, and other capital outlay items and items of an extraordinary character should be set out in detail in the order of relative urgency. When the complete budget for the year has been adopted, it should be broken down by calendar quarters and months. The board of control should adopt the budget for the year as the complete financial plan for the year, adopt tentative quarterly budgets in accordance with the complete financial plan as the basis for quarterly allotments by the state budget and efficiency commissioner,

adopt monthly budgets for the information and guidance of division heads, and in connection therewith, make such revisions in the complete financial plan for the year as may be required to meet unforeseen conditions and correct errors in estimating. Adequate budgetary controls should be established to limit expenditures to the amounts and purposes specified in the monthly budget.

Stores Control: At the present time, there is no central store room at the school. Each department takes deliveries of the supplies that it orders and no perpetual inventory records are kept.

The garage does not know at any time how much gasoline is in the pump or how much oil or other motor vehicle supplies or parts are on hand. There is no accounting check whatsoever on gasoline and no way of telling whether or not all of it is being accounted for. The same is true of all the other departments. Employees obtain certain food supplies from the commissary and are charged therefor at the end of the month. But as the employee in charge of the commissary does not have any perpetual inventory records to show the quantities of commodities received and issued and the balance of any given commodity on hand at any time, there is no way of telling whether or not all of the commodities going into the store room are accounted for, whether all commodities purchased actually find their way into the institution and are consumed therein, and whether officers and employees are billed for all the supplies and materials issued to them for their personal use.

It is imperative that perpetual inventory records be established and kept in the central accounting office, and that physical inventories be taken periodically. Recently an employee of the institution was dismissed for having on his person on his way home from work goods of the same brand as that used by the school.

Property Control: There are no records maintained at the school with respect to the control of the acquisition, custody, operation, care, and maintenance of property and equipment. In the absence of adequate records of capital assets of the school it is impossible to tell just what property and equipment the school owns and to enforce accountability for all portable properties. It is true that a physical inventory is taken periodically but such an inventory is of little value in preventing losses, particularly when no records of property acquired are maintained. In answer to a question concerning the ownership of furniture and furnishings of the apartments occupied by employees of the institution, the superintendent stated that most of the furniture and furnishings of such apartments is owned by the employees. The same question was asked the chief clerk; his answer was that the furniture and furnishings in the apartments occupied by employees belonged, in most part, to the state.

In order to determine the facts, it would be necessary to examine the invoices representing payments made by the school over a long period of time, to list all equipment, furniture, furnishings,

and other portable properties paid for by the school, and then to try to locate and identify every item so listed. Obviously, a complete schedule of the school properties could not be compiled by this means; the most that could be accomplished would be to establish whether recently purchased properties are now in the possession of the school.

At a school of this character it is particularly important that there should be positive control of all portable properties.

Fiscal Reporting: Significant financial statements showing the actual financial condition, financial operations, and costs are essential to effective administration. Statements should be prepared currently showing the condition of the appropriation for the year and the allotments made from the appropriation as well as the charges to each allotment for the month last ended and for the year to date. Encumbrances against allotments should also be shown in order to reflect the true condition of each allotment. Statements should also be prepared monthly, showing in detail the amount of receipts of the month last ended and of the year to date.

Expenditure and cost statements on several bases are required for current control purposes. No such statements are produced. Those that are produced are misleading and in some respects are unfair to the school.

Receipts of the Cash Fund: The school receives moneys from several sources, which by law are required to be deposited monthly with the state treasurer and credited to the cash fund. Investigation discloses that money was withheld from receipts to pay for purchases of commodities by the superintendent and his wife for their personal use. Services which had been denied the institution by the executive council, as well as other articles and services which probably would have been denied, had requests therefor been made to the board or the executive council, have been paid for from receipts withheld at the institution.

In order to determine the actual receipts and expenditures of the school, it was decided to take a period for which the records should be complete and with respect to which there should be no outstanding unrecorded obligations. The period from July 1, 1937 to April 30, 1938 was chosen.

The actual recorded receipts of this period, amounting to \$6,881.74, are detailed as follows:

Sale of gasoline, lubricants, and servicing of employees' automobiles	\$ 2,673.38
Sale of meals to employees	515.60
Rent for quarters occupied by employees	1,278.33
Laundry for employees	10.00
Sale of cattle	1,226.88
Clay royalty	488.48
Coal royalty	371.17
Sale of food from commissary to employees	75.37
Sale of butter	25.00
Sale of sheet metal	4.38
Sale of coffee	.16
Sale of grain sacks and calf hides	13.80
Sale of wood	6.50
Sale of egg crates	6.60
Sale of top soil	11.50
Printing	40.00
Subscription to school news	26.00
Delivery charges for bull	6.00
Transfer of registration of cattle	5.00
From county commissioners of Mesa county for care of Monito Rodriquez	15.00
Refund of gasoline tax	10.32
Refund of expenditures	60.00
Charge for broken dishes	5.00
Charge for broken windows	3.27
Charge for broken lock	3.75
Charge for broken light	.25
	<u>\$ 6,881.74</u>

The recorded receipts of \$6,881.74 do not include the receipts withheld from the state treasury and deposited in a "Special" bank account as explained below. According to the records of the auditor of state and the state treasurer, the receipts of the ten months ended April 30, 1938, amount to \$7,558.72 but this amount includes the receipts of June, 1937, amounting to \$676.98 which were deposited with the state treasurer in July, 1937.

The greater part of the receipts of the school are derived from sales of gasoline and motor vehicle repair services to employees. The chief clerk states that it is the policy of the school to sell gasoline to employees at cost plus one cent and the federal tax.

Analyses of the purchases and sales of gasoline indicate that the mark-up of two cents a gallon is not uniformly applied to all sales to employees; there were some sales, at eighteen cents a gallon, of gasoline purchased at fourteen cents a gallon. Some gasoline is used for farm equipment but no application has been made for refund of the state tax since July, 1937. Employees who have their automobiles repaired at the school are charged for supplies and parts at actual cost and fifty cents an hour for labor. Several employees eat their meals at the school and are charged a flat rate of twenty-five cents for each meal on week-days; forty cents on Sundays, and fifty cents on holidays.

Unrecorded Receipts: In attempting to verify the outstanding liabilities of the school, a statement of the school's account with the Denver Dry Goods Company was secured. This statement showed several payments that could not be traced in the accounts of the school, in the accounts of the state auditor, nor in the accounts of the division of accounts and control. Confronted with one of these payments and asked for an explanation, the bookkeeper at the school produced a paid invoice and explained that payment had been made from receipts withheld at the school. Asked at that time if similar payments had been made, he denied having any knowledge of any such payments. Later, bank statements with cancelled checks were found on the chief clerk's desk. Asked for an explanation of the bank account he stated that on April 29, 1938, an amount of \$362.60 was withheld from receipts and deposited in a "Special" bank account which was opened in the First National Bank, Golden, and that another deposit of \$173.86 was withheld from receipts and deposited in this account on May 3, 1938. He had previously denied the existence of any such account.

An attempt was then made to ascertain whether the amounts owing by employees for maintenance and supplies and services sold to them had been collected and properly accounted for and paid over to the state treasury. In the course of this examination the records showed that for the month of September, 1937, \$390.20 had been deducted from the salaries of the officers and employees but of this amount only \$261.00 was accounted for and remitted to the treasury. This discovery led to further questioning of the bookkeeper and he finally volunteered to furnish a schedule of all receipts improperly withheld at the institution without being recorded anywhere on the books of account. According to the bookkeeper's statement, these receipts were as follows:

<u>Payor</u>	<u>Received for</u>	<u>Amount</u>
Art Peterson	Bull	\$ 110.00
James Gibson	Bull	140.00
A. A. Blakely	Hogs	347.26
Colorado Sanitarium	Bull	150.00
Lloyd E. Hodson	Bull	110.00
Earl Hodson	Bull	135.00
H. Litvok	Bull	100.00
A. A. Blakely, Com. Co.	Hogs	91.92
Deductions from officers' accounts		129.11
A. A. Blakely, Com. Co.	Hogs	174.06
Mabel Clark	Bull	185.00
J. H. Wallace, officers' account		31.99
Frank Waters, officers' account		9.37
From other officers' accounts		21.14
State of Kansas	Bull	125.00
Tenenbaum	Grade stock	\$35.00
	Calf hides and	
	grain sacks	<u>13.86</u>
		48.86
A. A. Blakely	Hogs	112.60
A. A. Blakely	Hogs	<u>203.61</u>
	Total	<u>\$ 2,224.92</u>

There is no way of verifying the accuracy of this statement because no record or other form of control of sales is maintained. Also, there are thousands of transactions with employees represented by charge slips, all of which have to be accumulated for each employee by months and the total for each month checked against the deduction made from the employee's salary for the month. This task is complicated by the fact that frequently the full amount owing by an employee is not deducted from his monthly salary and part is carried forward from month to month. There are also salary advances, loans, and installment payments on account of supplies sold to employees to be taken into account. A test check discloses that the amounts deducted from the salaries of officers and employees exceed the amounts remitted to the state treasurer from this source.

A shortage of \$191.61 has been established by this investigation and admitted by the bookkeeper, as shown in the above tabulation of unrecorded receipts, as follows:

Sales and services to employees for	
the month of September	\$129.11
J. H. Wallace, for sales and services	31.99
Frank Waters, for sales and services	9.37
Other officers, for sales and services	<u>21.14</u>
Total	<u>\$191.61</u>

The bookkeeper has produced invoices which he states represent expenditures defrayed from unrecorded receipts, as follows:

Paid by check on "special" bank account:

The Denver Dry Goods Company	2 comforts	\$17.96	
	Enamel cooker (purchased by Mrs. Taylor)	<u>1.75</u>	\$ 19.71
D. B. Clark	Tree trimming		186.30
(Note. The minutes of the meeting of the executive council for November 3, 1937, show that the requisition for trimming trees was rejected. The superintendent of the state industrial school was so informed by letter dated November 3, 1937, signed by the secretary of the executive council.)			
Jennings Turkey Hatchery	100 turkeys (7 weeks old)		125.00
Mrs. Mabel B. Hamlin	Chapel music	30.00	
O. T. Ellis		<u>4.42</u>	\$ 365.43

Paid by currency:

H. H. Tammen Company	Christmas supplies	\$ 90.25	
Hertel's	Belts and gloves	29.75	
Victor Electric Service Co.	Radio parts and light bulbs	21.05	
Mabel B. Hamlin	Chapel music	20.00	
J. T. Hoffman	Repair dishwasher	75.00	
The Hobart Mfg. Company	Potato peeler	247.50	
Fred Davis Furniture Company	Green drapes and rings	22.75	
"	Mattresses (2)	59.50	
"	Bed springs (1)	19.75	
"	Linoleum	42.10	
Christensen Implement Co.	Milking machine	196.13	
Carson Crockery Company	Dishwashing machine	<u>445.50</u>	<u>1,269.28</u>
Total			<u><u>\$1,634.71</u></u>

The bookkeeper claims that \$75.00 was paid for pigs but he could not name the vendor nor produce a receipt nor an invoice.

The bookkeeper states that a check for \$347.26 from A. A. Blakely for hogs sold by the school was turned over to the Christensen Implement Company in payment for a milking machine purchased for \$196.13 and that the implement company issued its check to the school for \$151.13. This \$151.13 was remitted to the state treasury and reported as "overpayment of account" when in reality it was part of the proceeds of the sale of hogs.

A check for \$150 received by the school from the Colorado Sanitarium for a Holstein bull, a check for \$110.00 from Loyd C. Hodson for a registered Holstein bull, a check for \$135.00 from Earl Hodgson for a registered Holstein bull, and another check for \$100 from H. Litvok for a registered Holstein bull were turned over to the Carson Crockery Company in payment for a dish washer costing \$445.50. The Carson Crockery Company then issued its check to the school for \$49.50. This amount was remitted to the treasury and reported as "overpayment of account." The two amounts reported as "overpayments of accounts" have been traced into the state treasury.

Thus the bookkeeper accounts for \$2,081.37 as follows:

Unrecorded expenditures supported by invoices	\$1,634.71
Paid for pigs (no receipt or invoice produced)	75.00
Balance in "special" bank account	171.03
Proceeds of sales remitted to state treasury but reported as "overpay- ments on accounts"	<u>200.63</u>
Total	<u>\$2,081.37</u>

Thus there is \$143.55 still not accounted for, if it is assumed that the bookkeeper's statement of receipts withheld and not recorded at the school is correct.

Expenditures: Sources of Data: The only record of expenditures is the voucher register. In attempting to arrive at the actual expenditures of the school and the actual per capita cost it was necessary to analyze each voucher representing each claim against the school for the period under review. The expenses of the period from July 1, 1937, to April 30, 1938, were analyzed and classified in detail.

The vouchers representing payments by the school for the period of July 1, 1937 to April 30, 1938 were obtained from the state auditor's office. Vouchers for claims, pertaining to the period,

which had been presented for payment but were not paid, were obtained at the school. Vouchers for claims, applying to the period, which had not been presented for payment at the school, were obtained from the division of accounts and control in the form of unliquidated encumbrances.

Determination of Actual Expenditures: It was found that many expenditures charged to the period were for goods received prior to July 1, 1937, and therefore were applicable to the period prior to July 1, 1937. These expenses, accordingly, have been eliminated.

Expenditures posted in the month of May, 1938, were for supplies and commodities delivered prior to April 30, 1938. These charges were included in the period from July 1, 1937, to April 30, 1938.

Vouchers amounting to \$5,305.02, in transit to the auditor's office, represented claims for supplies and commodities delivered prior to April 30, 1938, and accordingly they were included in the expenses of the period from July 1, 1937 to April 30, 1938. An examination of the claims on hand at the school, which had not been vouchered for payment, revealed that many claims applied to the period prior to April 30, 1938, and accordingly were included with the expenses of that period. At the time these vouchers were examined at the school the chief clerk was on his vacation and many questions came up in regard to unpaid bills but no one at the institution seemed to know anything about them. Many statements and invoices were on file and in the absence of a proper filing system it was impossible to tell whether or not all of the unpaid claims applying to the period in question were picked up.

The actual ascertained expenditures of the period from July 1, 1937, to April 30, 1938, and the manner in which the expenditures were arrived at are as follows:

	<u>Cash Fund</u>	<u>Revenue Fund</u>	<u>Total</u>
Total disbursements from July 1, 1937, to April 30, 1938 (as per auditor's books)	\$15,010.64	\$ 94,187.86	\$109,198.50
Deduct accounts payable as of July 1, 1937	<u>8,509.22</u>	<u>201.46</u>	<u>8,710.68</u>
Carried forward	\$ 6,501.42	\$ 93,986.40	\$100,487.82

	<u>Cash Fund</u>	<u>Revenue Fund</u>	<u>Total</u>
Brought forward	\$6,501.42	\$ 93,986.40	\$100,487.82
Add accounts payable as of April 30, 1938:			
Vouchers posted on auditor's books in May, 1938	485.15	2,040.28	2,525.43
Vouchers on hand in auditor's office but not posted or paid	-	5,305.02	5,305.02
Bills on file at school which were not vouchered for payment	-	6,000.14	6,000.14
Total expenditures	<u>\$6,986.57</u>	<u>\$107,331.84</u>	<u>\$114,318.41</u>

Expenditures of the Period from July 1, 1937, to April 30, 1938: The ascertained expenditures of the period from July 1, 1937, to April 30, 1938, are summarized as follows:

Personal services	\$ 62,912.05
Contractual services	4,508.39
Supplies and materials	41,870.49
Current charges	2,151.10
Current obligations	12.00
Capital outlays	2,864.38
Total	<u>\$114,318.41</u>

It was not possible to allocate expenditures to departments.

Per Capita Costs: The total ordinary recurring expenses of the school were \$111,454.03 for the ten months ended April 30, 1938. This figure, however, includes the cost of supplies and materials sold to employees, and the full salaries of employees from which no deductions have been made, in the expenditure statement, for maintenance in those cases where maintenance is not allowed in addition to cash compensation. There must also be deducted from this figure other earnings of the school in order to arrive at net costs of operation and maintenance.

The recorded receipts of the school for the ten-month period amount to \$6,881.74. The ordinary recurring expenses do not include expenditures improperly made from receipts withheld from the state treasury in violation of the provisions of law. If the ascertained unauthorized and unrecorded expenditures were included as expenditures they would have to be offset by the ascertained unrecorded receipts and there would be no change in the net per capita costs.

The ascertained unauthorized expenditures and the ascertained unrecorded receipts unlawfully withheld at the school are detailed elsewhere in this report.

The net operating cost of the institution for the ten months was, therefore, \$104,572.29. The average daily population during the same period was 169.5. The net per capita cost then for the ten-month period was \$616.95, or an average of \$61.69 a month. On this basis, the annual net per capita costs of the institution would be \$740.28.

Per capita costs of an industrial school for boys are not comparable with those of other state institutions. The costs of a properly conducted school with an adequate rehabilitation program should be higher than those of any other type of state institution. In this case, however, the costs are unreasonably high by every test that can be applied.

Part of the high cost can be attributed to the plant, which is ill-designed for the purposes for which it is used; part can be attributed to the originally poor interior construction work on many of the buildings; and part to the fact that the buildings and equipment have been allowed to deteriorate and that some attempt is now being made to effect repairs and replacements. In the main, though, the high costs are attributable to lack of proper planning, to poor judgment and incompetence, to loose business and financial administration, and to what appears to be ignorance of the primary functions of the school. The school is not organized and staffed to operate on an efficient and economical basis.

Cost of Raw Food: The cost of food supplies purchased in the period from July 1, 1937, to April 30, 1938, was \$16,463.19. On this basis, the cost of food supplies for a year would be approximately \$19,755.00. This figure, however, does not represent the total cost of raw food consumed at the school. The garden produces fruits and vegetables which are used in the kitchen; wheat is grown on the institution lands and is milled into flour which is used at the school, poultry was raised and used as food until September, 1937, at which date the keeping of poultry was discontinued; and the dairy supplies milk, butter, and cottage cheese, to the dining room.

The quantities of food supplies produced and used at the school were determined and priced as accurately as possible to arrive at the total raw food costs as follows:

Food supplies purchased	\$19,755.00
Food supplies produced and used at the school:	
Garden produce	2,529.00
Flour	1,847.00
Poultry	210.00
Veal	142.00
Eggs	384.00
Milk, butter, cottage cheese	<u>7,500.00</u>
 Total	 <u>\$32,367.00</u>

The number of meals served to officers and employees who are charged for individual meals is approximately 2,538 in the course of a year; the number of meals served officers and employees and their families who are furnished living quarters and maintenance on a monthly basis is approximately 18,615; the average daily population of the institution from July 1, 1937, to April 30, 1938, was 169.5 and on the basis of three meals a day, 185,602 meals would be served to the boys in the course of a year, making a grand total of 206,755 individual meals served in the course of a year. Raw food costs of \$32,367.00 divided by 206,755 gives 15.65 cents as the actual value of raw food in each meal served. This is an extraordinarily high raw food cost.

The records show that the school has been buying sliced bacon at $38\frac{1}{2}$ cents a pound. There is no justification for buying sliced bacon at this price.

It was observed in the commissary that several bottles of cooking wine were in stock. There is no good reason why the state should buy wine for cooking purposes at an industrial school.

Insurance Premiums: An analysis of insurance carried at the institution shows that there are no less than forty-three individual policies in force, which include a separate policy for each of five pieces of automotive equipment. There is no reason why so many separate policies should be carried and the institution would benefit financially if blanket policies were taken out.

Cigarettes: The expenditure for the period from July 1, 1937, to April 30, 1938, shows that \$235.83 was spent for cigarettes. Boys over sixteen years of age are allowed to smoke and are furnished cigarettes. This practice creates an incentive for those boys who attain the age of sixteen to take up smoking whether or not they had ever thought of it before. It was observed in the hospital that a boy entered the building smoking a cigarette and visited the bedside of a sick boy with whom he shared the cigarette. If smoking is to be permitted at all, it should be limited to those who had acquired the habit before entering the school and should be controlled.

Employees' Maintenance Costs: The charges for the maintenance of the employees who live at the institution are too low.

According to information supplied by the superintendent and the chief clerk, the maintenance in each case, and the monthly charge therefor, are as follows:

(1) A. J. Lincoln

One room in officers' quarters
Meals in dining room
Light, heat, and laundry
\$35.00 a month

(2) Harry Weber

Wife and one child
4-room apartment in Company A Building
Light, heat, and laundry
Meals in dining room
\$50.00 a month

(3) Alfred Wise

Wife and two small children
4-room apartment in Company A Building
Light, heat, and laundry
Meals in dining room
\$50.00 a month

(4) C. A. Booth

Wife and one child
Apartment in Company B Building
Light, heat, and laundry
\$25.00 a month

(5) John Decker

Wife and one child
Apartment in Company C Building
Light, heat, and laundry
Meals in dining room
\$50.00 a month

(6) W. W. Wildman

Wife
Apartment in Company D Building
Light, heat, and laundry
Meals in dining room
\$50.00 a month

(7) E. B. Kudalis

One room in Company D Building
Light, heat, and laundry
Meals in dining room
\$30.00 a month

(8) T. P. Price

Wife and two children
 Residence in pasture land
 \$11.00 a month

(9) George Atchley

Wife and one child
 Apartment in Administration Building
 Heat, light, and laundry
 No meals
 \$35.00 a month

(10) Frank Waters

4 rooms in officers' quarters
 Fuel, light, heat, and laundry
 No charge

According to the written statements of the officers and employees, approved by the superintendent, all quarters occupied by them are unfurnished. The superintendent, however, admits that part of the furniture in quarters occupied by employees was purchased from state funds but there are no records to show exactly what furniture and furnishings in these quarters are owned by the state. Analysis of the expenditures discloses that purchases were made for employees' quarters and particularly for the superintendent's residence which is supposed to be an unfurnished house.

The charges for maintenance are out of line with what it costs the institution to furnish it. A family of four is allowed a four-room apartment, light, heat, laundry, and three well-prepared meals each day, for \$50.00 a month, or \$600.00 a year. The actual value of the raw food alone for a family of four for one year would be \$685.00, to say nothing of the cooking expense and other overhead costs.

Irregular Expenditures: Unrecorded expenditures defrayed from receipts unlawfully withheld from the state treasury are detailed under the head "Receipts of the Cash Fund" in this report. Analysis of the recorded expenditures of the school discloses that purchases, as follows, were made by the superintendent's wife, without purchase order, and charged to state funds.

September 2, 1937	Drapes - Paid by state warrant No. 4,943		\$26.94
October 10, 1937	Flower seeds and bulbs - Paid for by state warrant No. 10,373		6.70
From the Denver Dry Goods Company:			
March 27, 1937	1 duster	\$1.05	
	1 sweeper	6.45	
	Rubon polish	.35	
	Less 10%	<u>.79</u>	7.06
April 2, 1937	1 pair curtains	\$1.60	
	Less 10%	<u>.17</u>	1.43
	3 pair curtains		5.67
April 5, 1937	2 spreads		5.76
May 26, 1937	Rubon mop	\$1.35	
	Split mop	1.05	
	Less 10%	<u>.24</u>	2.16
August 10, 1937	Shoes	\$6.85	
	Less 10%	<u>.68</u>	6.17
August 13, 1937	Sample	\$.22	
	Less 10%	<u>.02</u>	.20
September 7, 1937	3 $\frac{1}{2}$ dozen hooks	\$1.23	
	1 $\frac{1}{2}$ dozen rings	.90	
	Less 10%	<u>.21</u>	1.92
September 23, 1937	Shoes	\$6.85	
	Less 10%	<u>.69</u>	6.16
October 1, 1937	2 spreads		10.98
June 6, 1938	Rubon split duster	1.05	
	Quickon mop stick	.25	
	Girdle	.59	
	Girdle	.59	
	Postage on girdle to: Margaret Ruth Taylor Princeton Hotel Kansas City, Mo.		.05
	5/8 yard leather (bought by Mrs. Watson)		1.88

Under date of May 24, 1938, 2 pairs of shoes and one sample were transferred to the account of I. R. Taylor.

These irregular expenditures are in addition to those expenditures defrayed from receipts withheld at the school as reported herein under "Receipts of the Cash Fund."

Warrant Number 10,399 dated December 12, 1937, was issued for \$1.65 for repairs to a bicycle. The school does not own a bicycle.

The superintendent's automobile (a Chevrolet) is regularly serviced by the school garage. The garage monthly report for April shows a Ford car serviced for the superintendent at a cost of \$25.21; it is reported that this car is owned by a daughter of the superintendent, who does not reside with the superintendent at the school. The charges against this car are detailed as follows in the garage monthly report:

Washing and polishing	\$ 3.00
Greasing	.25
2 new tires and tubes	18.56
Repair 2 tires	.50
Paint and straighten fender	2.25
Grease	.15
State inspection	.50
Total	<u>\$25.21</u>

The Trust Fund:

On June 8, 1938, the amount of cash in the office to the credit of the boys' deposit fund was \$62.37, which included an IOU for \$3.00 from the assistant chief clerk. There is also an account in the boys' deposit fund ledger under the title of "trust fund." Moneys accrue to this fund from several sources, namely, from the accounts of boys who escape, boys paroled without withdrawing the balance of their accounts, and boys who cannot be located after they leave the school. An examination of the trust fund account showed that a check had been drawn to the superintendent in the amount of \$47.37. It was explained that a former inmate of the institution called upon the superintendent and requested him for a loan of this amount. According to the chief clerk, the superintendent issued his personal check for this amount but the borrower failed to return the money. In order that the superintendent might be reimbursed for this payment, a check was drawn from the trust fund for \$47.37. Examination of the minutes of the board of control shows no authorization for the transaction.

Christmas contributions to the school solicited from vendors were ordered by the Governor to be returned to the donors.

It is not clear what disposition was made of the original contributions, but refunds were made from the trust fund in the sum of \$11.85, according to the bookkeeper.

Revolving Petty Cash Fund: The school has a revolving petty cash fund of \$1,500 of which \$50 is kept at the institution and the remainder in the First National Bank, Golden.

The records of this fund are in a state of chaos, and the chief clerk is at a loss to know whether or not several of the IOU's on hand have been paid. He has failed to balance the fund in almost a year.

An attempt to verify the assets of the revolving fund on July 6, 1938 showed that there was a shortage of \$21.99. However, a great deal of detailed investigating would be necessary to verify the status of each receipt and IOU in this fund before the shortage could be certified.

Business Transactions with Employees: The school transacts a tremendous volume of business with its employees. It sells gasoline, lubricants, automobile repair services, meals, supplies from the commissary; rents quarters to employees, makes salary advances, and lends money from a petty cash fund. Occasionally supply items such as tires are purchased and paid for by the school and sold to the employees on the installment plan. In some cases loans are made to employees from the petty cash fund and repaid in monthly installments.

It is the practice to prepare the payroll for the full amount of the compensation of each employee. One warrant is issued by the auditor of state for the entire amount of the payroll. The warrant is deposited in a bank account and the chief clerk then proceeds to compute the amount of salary payable in cash to each employee after making deductions for sales to him by the institution and for the rent of quarters. Employees are then paid their net cash compensation and the amounts deducted are supposed to be turned over to the state treasurer and credited to the cash fund. In general, supplies sold to employees are paid for from the appropriations from the general revenue fund.

Thus it is that the payroll procedure together with the practice of transacting a large volume of business with employees results in funneling moneys from the general revenue fund of the state to the cash fund which is not subject to the same effective expenditure controls as the general revenue appropriation.

In some cases moneys thus transferred from the general fund and which should have gone to the cash fund were not turned over to the state treasurer but were withheld at the school and used to defray unauthorized expenditures.

The handling of a large volume of business transactions with employees involves a tremendous amount of work and expense which

cannot be justified on any basis. It is true that gasoline is sold to employees at a small profit, but even if the profit covered all the expenses of handling business transactions with employees (which it is believed it does not) the resulting confusion of the accounts and the opportunities afforded for losses make the business highly undesirable.

Such a large volume of business is partly responsible for the contention that the institution is operated for the benefit of the officers and employees rather than in the interests of the boys.

Gasoline; Purchases, Sales, Use, and Shortage: Gasoline is a commodity in which the school does a large volume of business. From paid invoices, from statements supplied by vendors, from the charges to employees for gasoline, and from the records of gasoline used in school automobiles and equipment, an attempt has been made to account for gasoline purchased in the ten months ended April 30, 1938.

It was found the school had destroyed or otherwise disposed of delivery slips covering gasoline delivered to the pumps. There were no records at the school to show the amount still owing for gasoline delivered but not paid for. It was therefore necessary to secure statements of deliveries from vendors to the school. A statement was obtained from each vendor showing for each delivery:

- (1) Date of delivery
- (2) Quantity delivered
- (3) Unit price
- (4) Amount
- (5) Date paid, if paid, or
the notation "unpaid"

During the ten-month period 17,920 gallons were delivered to the pumps at the school by five oil companies, as follows:

	<u>Gallons</u>
The Navy Gas & Supply Company	3,500
The Continental Oil Company	3,360
The Texas Company	2,940
Standard Oil Company	4,060
Sinclair Refining Company	<u>4,060</u>
Total	<u>17,920</u>

The total number of gallons accounted for in the ten-month period ended April 30, 1938, is as follows:

	<u>Gallons</u>
Sold to employees	13,508
Consumed in equipment owned by the school and in the super- intendent's personal automobile (for which no charge is made)	<u>2,731</u>
Total	<u><u>16,239</u></u>

There remains 1,681 gallons (17,920 gallons delivered less 16,239 gallons accounted for) to be accounted for. Since there was no inventory of the gasoline on hand on July 1, 1937, and on April 30, 1938, the exact quantity of the shortage cannot be established. The capacity of the two pumps is 1,120 gallons.

The first delivery in July, 1937, was made on the 7th and the quantity delivered was 560 gallons; the first delivery made in May, 1938, was made on the 7th and the quantity delivered was 700 gallons; which would seem to indicate that on July 1, 1937, there was more gasoline on hand than there was on April 30, 1938. Also, in June, 1937, 2,245 gallons of gasoline were delivered to the pumps. In May, 1938, 2,100 gallons were delivered. Analysis of the gasoline consumed bears out the conclusion that there was more gasoline in the tanks on July 1, 1937, than there was on April 30, 1938. However, assuming that there was the same quantity on hand on both dates, the shortage of gasoline would be 1,681 gallons in a period of ten months. The allowable loss from evaporation and all other causes at gasoline service stations is one half of 1% of the total number of gallons passed through the pumps. This is recognized as a liberal allowance. On this basis, a liberal loss at the school would be 89.6 gallons. Even if 100 gallons were allowed for evaporation the shortage would be 1,581 gallons. It is believed that if actual physical inventories had been taken at the beginning and end of the period the actual shortage would be closer to 2,000 gallons.

Introductory Remarks as to the Need for Reorganization:

The purpose of this section is to outline a plan of reorganization for the industrial school for boys, with a view to providing for sympathetic and intelligent understanding of every boy committed to the school, effective supervision and guidance of the boys based on such understanding, a full, well-rounded educational and training program, and proper care of the boys in the interests of their health and general welfare. These are the primary functions of the school which must be kept constantly in mind.

Business administration - budgeting, accounting, purchasing, supplies control, property control, and measures to safeguard the discharge of fiduciary responsibilities - plant operation and maintenance, and all other service activities are but means to accomplish the primary functions. If the "overhead" service activities are badly conducted and inefficient, they afford evidence as to the quality of the administration and the standards of the services to the boys. If they are well conducted, the chances are that the primary functions are effectively served but good business administration cannot accomplish the primary purposes though it may serve to conceal the lack of any constructive program and procedures for the rehabilitation of the boys.

The efficiency of the school cannot be measured, therefore, by the efficiency of the business management, the state of the accounts, the amount of weekly, monthly, or annual per capita costs, the condition of the buildings, or the qualifications of the employees. Efficiency is a ratio - the ratio between expenditures and boys rehabilitated and returned to society to become useful citizens.

It is not to be assumed, then, that conditions at the school can be remedied by the installation of controls and procedures that will force the officers and employees to be honest and that will produce the facts as to financial conditions, financial operations, and costs.

In proposing a plan of reorganization, it is assumed that the institution exists primarily for the benefit of the boys committed to it in the interests of society and not for the dispensation of political patronage or for "taking care" of persons on the public payroll who cannot, or are unwilling to, find other means of earning a livelihood. As long as the institution is used as a haven for political "wheelhorses", just so long will it continue to function inefficiently and extravagantly and invite criticism by the press and the public.

Nothing short of drastic reform and reorganization will place the school on a proper basis.

Some Problems Involved in Reorganization: Before proceeding to outline the proposed plan of organization, it may be well to state here some of the major problems that must be faced in any attempt to rehabilitate the school and bring it up to the standards that have been set by many other similar schools in other states. These problems are (1) length of stay of the boys at the school; (2) the vocational education offering; (3) the physical plant; and (4) personnel.

Length of Stay: Under the present policy of the school, boys do not remain in residence long enough to be rehabilitated, even if an adequate rehabilitation program were in effect, nor to receive adequate instruction in any trade. The question arises as to whether it is good policy to parole the boys rapidly and pass a large number through the school with little or no training, or to concentrate on carrying out a rehabilitation program that will be of lasting benefit to the boys, but will reach fewer of them. Under the present policy, the anti-social attitudes of the boys, due either to natural deficiencies or unfortunate home environment, are fostered by the discipline of fear and the average boy leaves the school as a place of punishment where society got revenge for his wrongdoing.

Most authorities are agreed that nothing constructive can be accomplished in character development and training and in the eradication of complexes that result in anti-social behavior, in a period of six months; some say that any period of less than two years is too short even where adequate rehabilitation programs are in effect.

The attempt to carry out a rehabilitation program in a period of six months results in extremely high per capita costs in return for which neither the boys nor society derive any lasting benefit. A large part of the school expenditure is sheer waste of public money.

The population of the school could be increased at very little increase in the costs of operation and maintenance but some capital outlay would be required for accommodations.

It is recommended that the board of control give careful consideration to this problem. The policy determined by the board in this matter, must govern the formulation of the entire program of the school and must be a major consideration in determining staff requirements and educational facilities.

Vocational Education Offering: It is absurd to maintain the fiction that the school is giving training in twenty-six vocations.

In selecting vocational subjects, three criteria should be considered:

- (1) Will work in the vocation be open to boys leaving the school, or can or will they be able to continue learning the vocation in the public schools to which they will return?
- (2) Can they be well-trained in the length of time they are kept at the school?
- (3) Does the school have facilities for training in the vocations?

These criteria should be applied to courses regularly offered. If, however, it is discovered that a boy has a consuming interest in a particular vocation or subject, the pursuit of which will enable him to find himself, every effort should be made to give him instruction in such vocation or subject.

Trade-instructors must be more than skilled tradesmen. They must have ability to instruct. They must be men of good character, of infinite patience, and understanding, interested in boys, and capable of exercising leadership and inspiring confidence. They must be willing and anxious to set right standards of workmanship and conduct for the boys to emulate. In every respect they should be the equals of vocational instructors in public secondary schools.

Probably forty percent of the boys are either incapable of, or unwilling to, learn a skilled trade or a vocation, and will inevitably become the drones or common laborers in society. For them, the discipline of work is sufficient to cultivate the will to work, perseverance, and habits of neatness. They should be employed in productive labor, in maintaining quarters, in operating the plant and equipment, and in all activities where unskilled labor is required. This leaves about sixty percent of the boys who can profit by vocational training.

No work should be designated as vocational education unless adequate class instruction and successful laboratory experience are made prerequisites for opportunity to engage in actual production work. This policy results in the weeding out and transfer of boys ill-adapted to a particular trade or vocation, avoids waste of materials, speeds up the actual production work, insures better workmanship and better products, and affords the boys real basic training and the right type of practical experience. Most of the production work at the school is badly done and few boys get practical experience of the right kind in any skilled trade.

There are so many considerations involved that no off-hand decisions can be made as to the vocations that should be taught. It is certain that the number of courses now included in the vocational education program should be drastically reduced.

It is recommended that the board of control formulate and adopt a basic policy with respect to vocational education to require that:

- (1) Vocational education be given only to those boys who are willing and able to profit by it.
- (2) The criteria enumerated above be used in determining the courses to be offered.
- (3) Qualified instructors be employed.
- (4) Each vocational subject be offered in two sections, one as a training class with provision for laboratory experience and the other as actual production work, but that completion of the class training and successful laboratory experience be made prerequisites to engaging upon actual production work.
- (5) The supervisor of education, guided by this statement of policy, formulate the vocational education program by and with the advice of the other members of the program committee, and that the superintendent submit the program to the board for approval before it becomes effective.

The Physical Plant: The physical plant is not designed to permit adoption of the "cottage system" which has proved to be the most successful system yet devised for meeting the needs of the boys as individuals, and facilitating and accomplishing the objectives of a well-rounded rehabilitation program. Under the cottage system, not more than twenty-five boys are allocated to a cottage under the supervision of a house father and mother, usually man and wife, during the day, and a night supervisor at night; all boys pass through a receiving cottage where they receive instruction in the rules of the school, in the operation of the merit system, in personal hygiene, and in proper care of clothing.

In its most highly developed form, the cottage system provides a small room for each boy which he must keep clean and neat, and each cottage has cooking and dining facilities. This permits real home training.

The boys' industrial school at Golden operates more nearly according to the congregate system employed in penal institutions, than to a cottage system, although the dormitories are called "cottages". A boy has no place that he can regard as his own, where he can keep his personal possessions, and in which he can take pride. Each boy is assigned a rickety, dirty locker in the basement of his cottage, which represents the only concession to privacy.

The so-called "academic" building is not at all suited to the purposes for which it is used; it was constructed as a dormitory.

The facilities for receiving, storing, and issuing supplies and materials are bad.

At the present time plans are under way to erect a new store house and to enlarge and remodel the hospital.

Additional dormitories and a new school building are far more urgently needed than a new store house.

It is recommended:

- (1) That the board of control adopt the policy of operating the school in as close conformity with the cottage system as existing facilities will permit.
- (2) That the board of control cause to be formulated and adopted a long-range program for the development of the physical plant and require all remodeling and new construction to be in conformity with such plan, to insure orderly planned progress over a period of years toward the cottage system.
- (3) That for the present, the proposal to erect a new store house be dropped and that the plans for remodeling the hospital be revised to provide for a hospital, a dispensary, and a receiving cottage.
- (4) That upon the curtailment of vocational education courses, an effort be made to locate the academic school in other quarters until funds can be secured for the erecting and equipping of a new school building, and that the present building used as the school be converted into a cottage.
- (5) That the vacant cottage be reconditioned as rapidly as possible and utilized to relieve congestion in the other cottages.
- (6) That a careful study be made to determine the best arrangements that can be effected, as a temporary expedient, for receiving, storing, issuing, and controlling supplies and materials.

It is suggested that the board seriously consider dividing in two each of the present cottages. The lockers now in use should be condemned and replaced by new steel lockers.

With a new receiving cottage and the existing five cottages in use, the school could accomodate two hundred boys under conditions closely approaching the cottage system, could effect a considerable reduction in per capita costs by maintaining the population at or near two hundred boys; by eliminating expensive and practically useless vocational courses; and by giving the boys proper training in skilled trades before permitting them to engage in production work.

Personnel: The most important and most perplexing and delicate problem of all is that of personnel.

The superintendent falls so far short of having the qualifications requisite for the performance of the duties and the discharge of the responsibilities of his office, that it is hopeless to expect him to put into effect any constructive program for the reform and rehabilitation of the school. His deficiencies cannot be overcome by the services of the board or of any consultant or group of specialists nor by the installation of any system however effective in controlling expenditures and enforcing fiduciary responsibilities, it might be. He should resign or be removed.

The general supervisor is not qualified for his position. In any modern industrial school he would not receive any consideration for such a position as that which he holds. In view of his long years of service and the qualifications that he does possess, he might be placed under the supervisor of plant operation and maintenance.

The director of vocational education and the "academic" teachers have good basic educational qualifications. They should be encouraged to take courses in pedagogy and particularly in the training of delinquent and retarded children and adolescents. It is suggested that the board of control explore the possibilities of offering increases in pay to the director and the teachers who complete courses and earn credits in such subjects as teaching methods, school supervision, philosophy of education, psychology of adolescence, problem children in school, and citizenship education.

With respect to trades-instructors, it must be recognized that an excellent workman need not necessarily be a good instructor. Frequently the good tradesman, one of the best, makes a poor foreman and possesses no ability to teach or to guide others. The instructors must be temperamentally suited to boys' work. A "crab" or a garrulous individual, for example, has no place in a boys' school.

The character of all employees should be above reproach. The educational process is continuously at work during the boys' waking hours. It is proper that it should be, but it should at all times be directed to the cultivation of good character traits and right attitudes and, therefore, the decorum of every employee with whom the boys come in contact is extremely important.

Drastic changes in personnel and personnel policies are imperative if the school is to be placed upon a proper basis. The board of control, if it is to discharge its duty to the boys and to society, has no alternative but to courageously face and deal constructively with these important problems.

Any satisfactory solution of these problems will require cooperation with the civil service commission. With respect to each appointment from civil service lists, it is suggested that the board insist upon a probationary period as an essential part of the test of fitness for the office or position.

Determining the Basis for Reorganization: The school should be organized and conducted to give effect to policies approved and adopted by the board of control.

The first step in reorganization must be, therefore, the determination of the policies under which the school is to be operated. The foregoing discussion deals with some of the basic policy questions that must be determined by the board and presents suggestions and recommendations for the guidance of the board in solving them.

The decisions of the board in important matters of policy should be incorporated in rules of the board for the guidance of the superintendent and employees.

Rules of the Board: In addition to setting forth clearly and definitely the policies under which the school is to be operated, the rules of the board should:

Define the objectives of the school and the functions, powers, and duties of the board and the superintendent, respectively;

Prescribe the form of organization and the functions, powers, and duties of each unit and the head thereof, and fix lines of authority and responsibility;

Provide that no employee shall be appointed, promoted, demoted, or discharged without prior approval by the board, but that the superintendent may suspend, or arrange to have suspended, any employee, in accordance with the rules of the civil service commission;

Provide that the compensation of each position, in cash or in cash and kind, shall be definitely fixed by the board; that the amount of salary or wages payable to any employee for services during any payroll period shall be the amount of the net cash compensation payable, and that the practice of deducting the value of allowances in kind from pay checks be discontinued;

Forbid the sale of meals, gasoline, other supplies and materials, equipment and other properties, or services to officers and employees, except upon specific approval of individual sales by the board or except upon properly authorized work orders to be executed by the production shops;

Forbid the personal use of the credit of the school or the credit of the state by any officer or employee of the school and specifically prohibit any employee or other unauthorized person from charging to the school account, any purchases except authorized purchases for the school, in accordance with the rules governing purchasing;

Prescribe adequate measures for the control of the attendance of employees on duty and absences from duty and require the preparation of an attendance report and payroll for each pay period and the issuance of a state warrant to each employee for the amount of salary due and payable to him;

Prescribe policies and procedures to govern all purchasing and the control of supplies, materials, and equipment;

Require identification by tags of all portable property of the school, the keeping of perpetual inventories, and the frequent taking of physical inventories and provide for condemnation and disposition of worn-out, obsolescent, and surplus portable properties only upon specific prior approval by the board;

Establish the amount of the petty cash fund to be kept at the school, prescribe the purposes for which it may be used and the procedures to be followed in administering it, and forbid loans or advances therefrom or from the receipts of the school to officers and employees;

Prescribe procedures for the receipt, custody, accounting for, and depositing the cash receipts of the school;

Prescribe policies and procedures for the administration of trust funds;

Provide for the formulation and adoption of a building program, repairs, remodeling, and new construction, listing projects and estimated costs in the order of relative urgency for inclusion in the monthly budgets, and providing for orderly planning and execution of projects to avoid waste of time, materials, and money;

Prescribe procedures for the authorization of work projects in production shops and the keeping of project or job costs;

Require that no obligations shall be incurred or moneys expended except pursuant to a monthly budget detailed by divisions of organization and objects of expenditure and approved and adopted by the board;

Provide that no claim against the school shall be paid until approved by the board of control, and then only after the board has considered, (a) a statement showing the expenditure budget as approved; (b) the total charges to each item therein, including the claims presented; (c) the total expenditures charged against the expenditure budget as compared with the total budgeted expenditures, and (d) the actual available cash receipts as compared with the budgeted receipts; and

Fix the date of the meeting each month at which the superintendent shall present claims, for approval, accompanied by the required financial statements;

The petty cash fund should be reduced to not more than \$50.00 and \$1,450.00 should be restored to the state treasury.

The present practice of securing one state warrant for the entire payroll lends itself to all kinds of abuses. It should be discontinued; it is a practice that has been abandoned in every progressive state.

The making of loans and advances of money to officers and employees should be prohibited. Reasonable notice, say sixty days, should be given the employees before such a rule is placed in effect in order to permit them to adjust their affairs without undue hardship.

The compensation of every officer and employee should be definitely fixed so that there may be no misunderstanding as to what allowances any officer or employee is entitled to in addition to his cash compensation. In the case of each officer and employee, the amount of the net cash compensation normally payable for each payroll period should be his rate of cash compensation and the basis for issuing his pay warrant. The practice of issuing a warrant or check for the full amount of compensation and then deducting therefrom the value of allowances in kind, should be discontinued.

Outline of Proposed Plan of Organization: It is recommended that the school be organized as follows:

Division of general control

Board of control

Superintendent

Program and discipline committee

Placement and parole committee

Division of education

Supervisor of education

General education service

Vocational education service

Physical training and organized

recreation services

Division of welfare

Supervisor of welfare

Receiving cottage and hospital

Cottage A

Cottage B

Cottage C

Cottage D

Cottage E

Placement and parole service

Religious service

Division of business administration

Business manager

Finance and administrative services

Food service

Plant operation and maintenance service

Farm and dairy services

Laundry service

Shoe repair service

Printing service

Other services as may be necessary

This plan recognizes the four principal groups of closely related functions and activities, namely, general control, education and recreation, general care and welfare, and business administration. Under the plan all staff and operating services would be allocated among three division heads responsible direct to the superintendent. These three heads would constitute his cabinet and through them he would administer and coordinate all services. Formal recognition is given to the cabinet in that it is proposed that it function as the program and discipline committee and also as the placement and parole committee.

Formal class training and laboratory work in vocations and trades would be in the division of education, and would be conducted by qualified vocational teachers. Production shops would be in the division of business administration and would be conducted by trade-instructors. Boys taking vocational education courses would graduate from training classes and laboratory work to apprenticeships in the production shops. Each of the proposed divisions is briefly discussed in the following paragraphs. Brief statements of the qualifications that the incumbents of key positions in each division should possess, are presented in the discussion of the division.

Division of General Control: Under this plan of organization, so long as the board exists as a separate governing body for the school, it would function as the policy-forming, rule-making, general controlling, and appellate authority for the institution. Its policies and requirements and the controls retained by it would be clearly expressed in written rules available to all officers and employees.

The superintendent would have immediate control, management, and supervision of the school. Directly responsible to him would be the supervisor of education, the supervisor of welfare, and the business manager. All other employees would report to one of these subordinate officers, depending upon the activities to which they were assigned. There would be no need for an assistant superintendent. Whenever it would be necessary for the superintendent to be absent from duty for any prolonged period, he could designate one of these supervisors to act for him in his absence. Such designation might well be rotated.

The superintendent should have education represented by graduation from a university of recognized standing with specialization in the social sciences; good training and successful experience in business administration; at least four years of successful experience in the custody and training of delinquent boys in an institution, of which two years should have involved administrative responsibility; advanced knowledge of modern methods of dealing with delinquent boys; superior ability to plan and direct the work of an institutional staff in a program of rehabilitation of such boys; ability to deal effectively with the employees and the boys and to get results; real interest in the problems of delinquent boys; and intelligent and sympathetic understanding of their problems.

A program and discipline committee, consisting of the superintendent, the supervisor of education, the supervisor of welfare, and the business manager, would be formed to review and discuss the findings with regard to the case of each boy when he is first received at the school, and to work out a cooperative plan of education and training for him. The case findings would come from a number of services, including reports from the committing court, local social workers, other state and local welfare agencies, the school physician, the school parole officers, the school chaplain, the person in charge of conducting achievement, aptitude, and other tests, and others.

In determining a boy's program, it must be borne in mind that his case cannot be dealt with by mass action, but that treatment must be based on the needs and interests of the boy. Every delinquent boy presents a different problem growing out of all the factors that influenced his life as recorded in his complete case history and which resulted in his being sent to the school. Consequently, it is essential that he and his case must be thoroughly known and understood before an adequate program can be laid out for him. The program must be designed eventually to prepare the boy for return to his community, with a changed attitude toward life, himself, and society.

In connection with his program, a counselor should be provided from among the school staff, to whom the boy could look for guidance and with whom he could discuss his problems. Ordinarily, the boy should, within certain limits, be allowed to select his own counselor at the time he is transferred from the receiving cottage to his place in the institution.

Inasmuch as the program committee would determine, in the first instance, the program for a boy, it also should consider and approve all changes in the program that may be necessary from time to time, more fully to meet the needs and interests of the boy. The committee also should consider, as a matter of regular routine, all disciplinary actions against each boy in order that it may revise the boy's program if it has been a factor in causing the need for disciplinary action. In each difficult disciplinary case, the committee should re-examine the boy for clinical guidance.

A placement and parole committee, consisting of the same membership as the program and discipline committee, also would be formed. The principal duties of the committee would be to consider and approve each case for parole on the basis of the record of the boy and the plan for his placement outside the school. Eligibility for parole would not be based on a fixed number of earned credits as is now the case. It would be based entirely on the success of the boy in completing the program of training and rehabilitation planned for him, and on the probability of his success in the parole and placement program determined for him upon release from the confines of the school. The present credit system would be abandoned. Privileges would take the place of extra credits now allowed for over-time work, good behavior, leadership, special favors to officers, special meritorious deeds about the school, and similar achievements and attainments. Corporal punishment would be abandoned entirely, and withdrawal of privileges substituted for all the present punishment methods. The program and discipline committee would designate the privileges for each of the various classes of boys and each boy would automatically have the privileges designated for the class to which he is assigned upon being transferred from the receiving cottage to his place in the institution.

Division of Education: The education and organized recreation activities of the school would be in charge of a supervisor of education reporting direct to the superintendent. Under his direction, supervision, and control, would be all academic and vocational teachers, and the instructors in physical training and organized recreation. He would be responsible for developing the educational and recreational programs in the first instance, and making recommendations for such programs to the program and discipline committee for approval and submission to the board of control for adoption.

No vocational training courses would be approved as such, unless they included at least fifty percent classroom instruction and laboratory work, as distinct from production work for the operation and maintenance of the school, and unless they were designed successfully to train the boys in vocations.

Furthermore, the academic and vocational education and training programs would continue the year round, except for short periods of recess, so that boys entering the school in May, June, July, and August may begin work on their programs as soon as possible. There are absolutely no sound reasons for discontinuing the educational and training programs during the summer months in a school of this kind, which must keep the boys fully occupied every minute of each day, if it is to be successful in rehabilitating them. The number of hours of academic education and vocational training for each boy each day, would be determined by the program outlined for the boy and not on a general schedule of hours for all boys.

The supervisor of education should have education represented by graduation from accredited four-year teacher-training curricula with specialization in school administration and supervision; at least one year of successful experience in administration or supervision of education; the required certificate to teach in the schools of the state; familiarity with teaching principles and methods; ability to plan and direct the work of others in the classrooms, and to get results; a good knowledge of modern methods of dealing with delinquent and retarded boys, and an understanding of their problems and attitudes; adaptability to difficult social relations; ability to deal with problem cases; and personal qualities that inspire confidence.

An academic teacher should have education represented by graduation from accredited four-year teacher-training curricula, with courses in the treatment of retarded and problem children, and preferably with one year of successful teaching experience; the required certificate to teach the courses and in grades to which assigned; a good knowledge of modern methods of dealing with delinquent and retarded boys and an understanding of their problems and attitudes; and interest in the problems of delinquent boys, and ability to inspire their confidence.

A vocational teacher should have education represented by graduation from a curriculum of an accredited teacher-training school with special courses in the teaching of manual arts, and at least one year of successful teaching experience; the required certificate to teach the courses assigned; good knowledge of teaching principles and methods as applied to the manual arts; good knowledge of the psychology of delinquent boys and an interest in their welfare; and the personal qualities of leadership that inspire confidence.

A physical education instructor should have education represented by graduation from a curriculum of an accredited teacher-training school with specialization in physical education and organized recreation, and preferably with one year of successful teaching experience; the required certificate to teach in the schools of the state; good knowledge of the teaching principles and methods as applied to physical education, including corrective work and health education; good knowledge of the psychology of delinquent boys and an interest in their welfare; and the personal qualities of leadership that inspire confidence.

Division of Welfare: The general care and welfare activities would be in charge of a supervisor of welfare reporting direct to the superintendent. General care and welfare activities include those pertaining to the home or cottage life of the boys, clothing, general health and personal hygiene, discipline, social and religious welfare, home or cottage recreation, personal decorum, and placement and parole supervision. The supervisor would be the chief disciplinarian. All boys' supervisors (cottage supervisors or house fathers), house mothers, hospital nurses and attendants, chaplains, and parole officers, would be under his direction and supervision.

Under the proposed plan, a mature married couple with the husband serving as boys' supervisor and the wife serving as house mother, would be in charge of each cottage and the boys' home life therein. They would live in the cottage. A night supervisor would also be assigned to each cottage; the house mother would supervise the housekeeping duties of the cottage, and provide the necessary motherly influence for the boys. She also would plan and supervise cottage social and recreation activities for evening and other periods.

The boys' supervisor would share with his wife the responsibility for the cottage life of the boys, but he would supervise and instruct a group of boys during periods when they are engaged in plant operation and maintenance activities and other production work, or during recreation periods. He and his wife would be on active duty during broken shifts, between the end and beginning of the night supervisor's shift.

Each cottage group should be no larger than twenty-five boys, grouped so far as possible, according to age, size, and problems of rehabilitation and adjustment. Proper segregation of the boys by classification is one of the most important steps in the training program of a school of this type.

The employees of the proposed hospital and receiving cottage would be under the general supervision of the supervisor of welfare. The part-time physician would serve as a staff officer and the nurse would be responsible to him only for those matters pertaining to the care and treatment of the boys requiring medical treatment and hospitalization.

The supervisor of welfare, together with the visiting chaplains would plan the spiritual education and religious training of the boys according to their preferences or those of their parents or relatives.

All placement and parole work also would be under the direction and supervision of the supervisor of welfare.

The supervisor of welfare should have education represented by graduation from a university of recognized standing with specialization in the social sciences; at least two years of successful institutional experience in the custody and training of delinquent boys; a thorough knowledge of modern methods of dealing with delinquent boys; ability to plan and direct the work of others, and ability to deal effectively with employees and boys to get results; above average interest in the problems of delinquent boys; an intelligent and sympathetic understanding of their problems; and the personal qualities of leadership that inspire confidence.

A boys' supervisor should have education represented by graduation from high school, and preferably two years of college or vocational education with courses in the social sciences; two years of successful experience in work with delinquent boys, playground, boy scout, or other similar civic and community activities; a working knowledge of one or more trades, ability to instruct boys in the rudiments of the trades, and ability to supervise boys engaged in unskilled work; a sympathetic understanding of delinquent and retarded boys, and ability to control and influence them; and the personal qualities of leadership that inspire confidence.

A house mother should have education represented by graduation from high school, and preferably two years of college education with courses in the social sciences; two years of successful experience in work with delinquent boys, playground supervision, teaching, or similar activities; good practical knowledge of the household and domestic arts, and ability to instruct and supervise boys engaged in housekeeping duties; ability to plan, direct, and supervise simple home social and recreational activities; a sympathetic understanding of delinquent and retarded boys and ability to control and influence them in ordinary home life and conduct; and the personal qualities of leadership that inspire confidence.

Under the proposed plan of reorganization, a graduate nurse would be preferable for the hospital.

A parole officer should have education represented by graduation from high school and at least three years of successful professional experience in social case work with delinquent children; or by graduation from a university with specialization in the social sciences and psychology included or supplemented by actual experience in social case work; good knowledge of the approved standards and methods of social case work; familiarity with the state laws relating to juvenile delinquency and probation; ability to interview persons, obtain facts from such interviews, and avoid antagonisms; a profound interest in, and a sympathetic understanding of the problems and attitudes of delinquent and retarded boys; and the personal qualities of leadership that inspire confidence.

Division of Business Administration: The business administration functions and activities would be in charge of a business manager reporting direct to the superintendent. They would include budgeting, accounting, purchasing, fiscal reporting, record keeping, central clerical and stenographic services, stores and property control, food services, plant operation and maintenance, farm and dairy operation, and other production activities. All office and stores employees, kitchen employees, plant operation and maintenance employees, farm and dairy employees, and employees in other production activities, as distinct from vocational training activities, would be under the direction and supervision of the business manager. Also during such times as boys' supervisors and vocational training teachers are engaged in instructing and supervising boys on plant operation and maintenance work projects and production activities, they would be under his direction and supervision, but only insofar as the work is concerned. Instruction would remain under the supervision of the supervisor of education. This arrangement would be similar to arrangements for contractual services by outside vendors.

A senior plant operation and maintenance instructor would have immediate charge of the physical plant and grounds. Under his direction and supervision would be the skilled and semi-skilled tradesmen-instructors and general utility plant employees, including plant enginemen, plumbers and steamfitters, carpenter, general mechanic, and such other tradesmen as may be necessary for plant maintenance work. There would be no need for as many full-time skilled tradesmen as now employed.

A head cook-instructor would have charge of the kitchen, bakery and general food service. Under his direction and supervision would be a combination cook and baker instructor and a dining room supervisor.

Each other production unit, such as the tailor shop, shoe shop, print shop, and laundry, unless it were designed primarily as a vocational training unit, would be in the immediate charge of a tradesman-instructor reporting direct to the business manager.

The business manager should have education represented by graduation from a university of recognized standing with courses in the social sciences; training and successful experience in institutional accounting and business administration and at least two years of institutional experience in the custody and training of delinquent boys; good knowledge of modern methods of dealing with delinquent boys and a sympathetic understanding of their attitudes and problems; ability to plan and direct the work of others and to get results; and the personal qualities of leadership that inspire confidence.

As has been said, fully forty percent of the boys are either unable or unwilling to learn any trade or vocation and can be regarded only as future unskilled laborers. Hence forty percent of the boys will spend a large part of their time in the division of business administration, under the business manager, performing tasks involving no special skills or techniques. In addition, serious consideration should be given to offering courses in general business and financial administration to promising boys and then to placing them in the division of administration for practical training and experience. Practically all the routines of business and financial administration would be carried on by boys under such a plan. For these reasons, and because it is essential that business administration be recognized as a service for the benefit of the boys, the business manager should be fitted to carry on his part of the entire rehabilitation program of the school. In some schools the assistant superintendent functions as the business manager.

It is essential, too, that the business manager serve as a member of the cabinet on the program and discipline committee and the placement and parole committee, in order to provide a means of coordinating all activities of the school, nearly all of which are conducted as parts or phases of the rehabilitation program. He must have a thorough understanding of the policies and objectives of the school, must be in sympathy therewith, and must possess those qualities of understanding and leadership that are so necessary to the proper conduct of the school in the interests of the boys.

The senior plant operation and maintenance instructor should have education represented by graduation from high school, supplemented by a mechanical vocational course and some technical mechanical engineering training; at least four years of experience in the operation and maintenance of power plant and miscellaneous machinery and equipment; skill as a machinist and a journeyman in one or more other mechanical trades; a good knowledge, experience, and skill in woodworking and masonry trades; some training as foreman or a trades instructor, ability to plan and direct the work of others, and ability to instruct and control boys; a sympathetic understanding of delinquent and retarded boys; and the personal qualities of leadership that inspire confidence.

A tradesman-instructor should have an education represented by graduation from high school; journeyman skill in one or more trades; special education, skill, and ability to teach in one or more trades; a sympathetic understanding of delinquent and retarded boys, and the ability to control them; and the personal qualities of leadership that inspire confidence.

Operating Costs Under the Proposed Plan of Organization:

It is a "penny-wise-pound-foolish" policy to be niggardly in compensating the superintendent and the principal executives. At least \$3,000.00 a year, in addition to a furnished house and full maintenance for himself and family, should be allowed as the compensation of the superintendent. The heads of the three proposed divisions should each receive at least \$3,000.00 a year, provided they possess the requisite qualifications.

Under the plan, substantial savings could be effected immediately in the costs of the institution through the abandonment of some of the so-called courses of vocational education, through proper classroom and laboratory training of selected boys before they are permitted to engage in actual production work, through improved methods of determining what boys are not fitted to receive vocational training, through proper planning and execution of repair and remodeling projects, through improved budgetary and other fiscal controls, through adequate controls of supply stocks and portable properties, and through the elimination of unauthorized and unnecessary expenditures.

The proposed cottage system would be no more expensive to operate than the existing so-called cottage system. At the present time, three cottages are occupied and it is proposed at the school, to put a fourth in service. The cost of supervision for each cottage ranges from a minimum of \$355.00 to a maximum of \$375.00 a month. Thus, if the four cottages were in operation as planned, the supervision costs would amount to from \$1,420.00 to \$1,500.00 a month. Under the proposed plan of organization, the salary of a cottage supervisor (house father), would range from \$100.00 to \$125.00 and that of the cottage mother from \$75.00 to \$100.00 a month. The scale of pay for a night supervisor would be about \$85.00 to \$115.00 a month. Thus, the supervision costs for a single cottage would range from a minimum of \$260.00 to a maximum of \$340.00 a month, as compared with \$355.00 to \$375.00 a month, under the present plan. If the receiving cottage were in operation, and the present school building were turned into a cottage, as has been suggested, the total cottage supervision costs would range from \$1,560.00 to \$2,040.00 a month, but a greatly improved supervision service would result, and more boys could be taken care of without having the present crowded conditions in the cottages.

State Industrial School for Girls:

Functions: The State industrial school for girls was established by the legislature in the year 1887. It was not opened, however, until October 1, 1895.

The school is maintained for the rehabilitation of girls over six and under eighteen years of age who are committed to it by the courts of the state. All commitments to the school are for the term of the girls' minority, that is, until the age of twenty-one is reached, except that the board of control may at any time grant such paroles as it deems advisable.

The management of the school is supervised by a board of control composed of five members appointed by the Governor with the advice and consent of the senate for five-year overlapping terms. The law provides that three of the board members shall be women.

The school population has been fairly steady in the past several years as may be seen from the following table:

<u>Date</u>	<u>Population</u>
June 30, 1931	142
" 1932	154
" 1933	146
" 1934	152
" 1935	147
" 1936	147
" 1937	154

The number of girls on parole in the past several years is as follows:

June 30, 1931	73
" 1932	77
" 1933	94
" 1934	89
" 1935	109
" 1936	97
" 1937	102

Organization and Staff:

A superintendent heads the school and is in the classified civil service of the state. She is directly responsible to the board of control, which meets once a month.

The salary of the superintendent is \$2400 a year in addition to maintenance and furnished quarters.

The staff under the superintendent comprised 28 positions as follows, as of January 21, 1938:

The average daily population of the school during the fiscal year 1937-38 was 158. On this basis the annual current operating cost per girl (computed on basis of total expenditures less capital outlay) in the fiscal year 1937-38 was \$405.26. This per capita cost seems to be reasonable for a school of this type. The institution appears to be well managed.

The counties of the state from which girls are committed are required to pay to the school fifty cents a day for each girl. The school bills the counties once a month for the amount due. An amount of \$29,489.25 was received from this source in 1937-38. Collections from counties are supplemented by state appropriations for the support of the school. The thirty-first general assembly appropriated \$78,000 for this purpose for the biennium 1937-39. Earnings of the school in 1937-38 were (1) interest on county warrants \$103.79, (2) sale of cattle \$51.

The school has a special mill levy, for building purposes, of .0072 of a mill, on each one dollar of assessed value of all taxable property in the state for each of the five years 1937 to 1941, inclusive, and a levy of .0048 of a mill on each one dollar of assessed value of all taxable property in the state for each of the five years 1942 to 1946, inclusive. An amount of \$4,097.77 was received from this source in 1937-38 but no expenditures were made.

Colorado State Penitentiary:

Functions: The constitution of the state of Colorado provides that penal institutions shall be established and supported by the state in the manner prescribed by law.

The penitentiary became a state institution upon the admission of the state of Colorado to the union. Prior to that time it was a territorial prison.

The primary function of the penitentiary is to keep in custody all persons committed to it for punishment, care, and rehabilitation. It provides for the usual housing, feeding, medical, custodial, and personal care of the prisoners.

The penitentiary operates a license plate plant, a soap plant, a road sign plant, a tailor shop, a knitting mill, a token plant, and a canning plant, as well as ranches, orchards, and gardens. These activities together with the regular operation and maintenance functions are reported to keep the prisoners well occupied.

The average daily population of the penitentiary in the fiscal year 1937-38 was 1285. The average daily population by years for a six-year period, 1927 to 1932, was as follows, showing a steady increase in the inmate population:

Fiscal year	1926-27	997
"	1927-28	1,078
"	1928-29	1,076
"	1929-30	1,094
"	1930-31	1,126
"	1931-32	1,141

Organization and Staff:

The penitentiary is headed by a warden who is in the classified civil service of the state and is directly responsible to the Governor. The warden receives a salary of \$3600 a year in addition to full maintenance for himself and his family.

The staff under the warden comprised 142 positions as follows in February 1938:

	<u>Annual Salary</u>
<u>Administrative (12)</u>	
Deputy warden	\$ 2,400
Chief clerk	2,400
Bookkeeper and custodian	1,620
Stenographer	1,920
Mail clerk	1,620
Steward	1,680
Storeroom steward	1,500
Superintendent of bureau of identification	1,620
Superintendent of industries	1,800
Superintendent of canning plant	1,800
Foreman of garage	1,500
Desk sergeant	1,500
<u>General Operation, Care and Custody (128)</u>	
Lieutenant	1,800
Head captain	1,980
Captain (2)	1,800
Assistant captain	1,500
Turnkey	1,560
Guard (118)	{ 110 @ 1,440
	{ 8 @ 1,260
Matron (2)	{ 1 @ 1,440
	{ 1 @ 1,320
Assistant matron	1,200
Relief matron	1,200
<u>Medical Care (2)</u>	
Prison physician (part-time)	2,000
Hospital steward	1,800

In addition to cash compensation the warden reports that "only remuneration or allowance allowed employees is one meal per day at a cost of \$54 per year and uniforms." The individual questionnaire cards prepared by the employees of the penitentiary indicate, however, that (1) the superintendent of the canning plant receives two meals per day, five unfurnished rooms, fuel, light, and heat, (2) the steward receives an unfurnished room, light, and heat, (3) a guard (dairy herdsman) receives three meals per day, unfurnished rooms, fuel, light, and heat, (4) a guard (overseer prison garden) receives an unfurnished house and vegetables, (5) a guard (overseer of ranch) receives an unfurnished house and heat, (6) a guard (overseer at prison ranch #1) receives an unfurnished house, (7) the head captain receives a furnished house, light, heat, and laundry, (8) the head matron receives two meals a day and laundry, (9) the chief clerk and the deputy warden receive laundry.

Expenditures and Receipts:

Expenditures for the fiscal year 1937-38 were as follows:

Penitentiary (exclusive of industries)

Personal services	\$ 210,346.59	
Contractual services	18,745.61	
Supplies and materials	219,195.35	
Current charges	8,786.19	
Current obligations	1,097.49	
Equipment	61,250.76	
New structure	12,238.18	
Land	5,611.74	\$537,271.91

Industries

License plate plant:		
Personal services	\$ 9,401.00	
Contractual services	4,273.99	
Supplies and materials	27,841.06	
Current charges	160.41	41,676.46
Soap plant:		
Personal services	\$ 4,178.00	
Contractual services	822.29	
Supplies and materials	11,072.78	
Current charges	110.43	16,183.50
Road sign plant:		
Personal services	\$ 854.00	
Contractual services	676.88	
Supplies and materials	3,114.67	4,645.55

(Cont'd)

Industries (cont'd)

Tailor shop:			
Personal services	\$	2,218.00	
Contractual services		25.71	
Supplies and materials		9,024.98	
Current charges		23.24	\$ 11,291.93
Knitting mill:			
Personal services	\$	6,400.26	
Contractual services		190.40	
Supplies and materials		7,494.29	
Current charges		130.11	14,215.06
Token plant:			
Personal services	\$	821.00	
Contractual services		177.69	
Supplies and materials		5,840.10	
Equipment		8,393.00	15,231.79
Canning plant:			
Personal services	\$	1,800.00	
Contractual services		2,688.63	
Supplies and materials		32,816.97	
Current charges		350.21	
Current obligations		19.69	
Equipment		734.30	38,409.80
Total Expenditures			<u>\$678,926.00</u>

The penitentiary, exclusive of industries, is supported by legislative appropriations together with earnings of the institution. The industries are supported by the earnings of each industry which are deposited to special cash funds.

The thirty-first general assembly appropriated to the penitentiary for the biennium 1937-39 the following amounts:

For support and maintenance	\$ 850,000
For a new boiler	26,000
For purchase of land	5,000

The earnings exclusive of industries in 1937-38 were as follows:

Sale of apples	\$ 3,134.47
" cherries	2,007.80
" sheep	1,077.67
" tomatoes	113.79
" poultry	1,552.80
" turkeys	2,742.20
" hogs	4,664.02
Convict labor earnings	17,522.44
From other sources	<u>12,519.13</u>
Total	<u>\$45,334.32</u>

The earnings of the industries in 1937-38 were as follows:

License plate plant	\$80,739.05
Soap plant	15,130.78
Road sign plant	10,706.08
Tailor shop	6,988.46
Knitting mill	9,902.70
Token plant	6,800.00
Canning plant	<u>26,070.32</u>
Total	<u>\$156,337.39</u>

All cash receipts with the exception of receipts from the canning plant are deposited with the state treasurer. Of the \$26,070.32 collected as earnings of the canning plant in 1937-38 only \$10,000 was deposited with the state treasurer. The remainder was kept in a special bank account in Canon City. There was a balance of \$9,549.08 in this account as of July 1, 1937. During the year 1937-38 an amount of \$18,576.49 was disbursed from the account on checks signed by the warden of the penitentiary. The state auditor or the state treasurer have no record whatsoever of the transactions within the special bank account. It would appear that the withholding of receipts from the state treasurer and the disbursement of such moneys by the warden are in violation of law. It is recommended that a thorough audit of the canning plant fund be made immediately.

It is further recommended that each of the industries be established on a "working capital" basis.

The penitentiary has a mil levy for building purposes of .12432 of a mil on each one dollar of assessed value of all taxable property in the state for each of the five years 1937 to 1941, inclusive, and a levy of .08288 of a mil on each one dollar of assessed value of all taxable property in the state for each of the five years 1942 to 1946 inclusive. An amount of \$70,754.98 was received from this source in 1937-38, and \$66,620.20 was expended for the construction of a cell house.

The penitentiary assumed a mortgage obligation of \$25,000 when it purchased ranch No. 1 in 1931. As of July 1, 1938, the

principal of the mortgage was reduced to \$22,290.74 and an amount of \$5,996.25 had been paid in interest. It would seem to be a poor financial policy for the penitentiary to continue this mortgage and pay a high rate of interest when it has at its disposal large balances in its cash funds.

The average daily number of prisoners in the penitentiary in 1937-38 was 1285. The net current operating expenses in the same period were \$443,487.93 (computed on basis total expenditures less capital outlays and less earnings of industries). On this basis the per capita cost in 1937-38 was \$345.12. This cost compares favorably with those of similar institutions in other states.

State Home for Dependent and Neglected Children:

Functions: The state home for dependent and neglected children in Denver was established by the legislature in the year 1895. It was opened in March 1896.

The home is maintained for the temporary care of children of sound mind and body under sixteen years of age who are dependent on the public for support, until such children can be placed in family homes. The board of control, however, has the power to admit, at its discretion, any child dependent or neglected, regardless of its physical condition; it may retain a child as long as its best interests may require; it is the legal guardian of the persons and estates of all children admitted to the home until such guardianship expires by virtue of the children reaching their majority or is cancelled by resolution of the board; it may return any child to its parents or guardians if it appears that the best interests of the child may thereby be served, subject to such conditions as the board may deem necessary for the welfare of the child.

The children confined to the home attend the Denver public schools.

Any person desiring to adopt a child from the home may make application to the superintendent or to the county commissioners of the county in which the applicant resides. An investigation is made to determine whether the applicant in the opinion of the superintendent is a proper person to be entrusted with the care and education of the child. The application must be approved by the superintendent before a child can be adopted.

Before a child can be placed in a family home, the board of control must enter into a written contract to remain in effect until the child is twenty-one years of age or, at the discretion of the board, eighteen years of age. The contract must provide for the education of the child in the public schools for at least six months of each year; for teaching the child some useful occupation; for kind and proper treatment of the child; and for the payment of a certain sum of money on termination of the contract, to the board, for the use and benefit of the child. Where a child is over sixteen years of age the contract may provide only for wages and kind and proper treatment. Each contract may be cancelled by the board at any time if it appears to be for the best interest of the child. The contract may

also provide that the person taking the child may cancel the contract at any time within sixty days from the date of the contract. All moneys earned by a child are turned over to it when the guardianship of the board ceases. The population of the home at the end of each fiscal year for a recent five-year period is as follows:

June 30, 1933	330
" 30, 1934	336
" 30, 1935	342
" 30, 1936	302
" 30, 1937	314

From the time it was established until June 30, 1937 a total of 7169 children were admitted to the home. The status of the total admittance on June 30, 1937 was as follows:

Adopted	3085
Married, attained majority, became self-supporting	1351
In homes on trial	426
In homes on special contracts	481
Formally returned to parents	636
Returned to counties	444
Died	383
Returned to counties (temporary commitments)	47
Returned to guardians	2
In home	<u>314</u>
Total	<u>7169</u>

The home exercises supervision over adopted children and children placed in family homes but the personnel of the field staff is inadequate to do a thorough job.

Organization and Staff: The home is governed by a board of control of five members appointed by the Governor for six-year overlapping terms. At least two of the members shall be women. The board is a body corporate with the official name, "Board of control of the state home."

The board elects its president and secretary, but the state treasurer serves as treasurer of the board ex officio.

It is charged with duty of establishing a system of government for the home, including all necessary regulations for its management and good order, for the support and training of the children in the home, and for placing and supervising the children in family homes.

The board appoints the superintendent of the home pursuant to the provisions of the classified civil service.

The superintendent receives a salary of \$3000 a year in addition to maintenance.

The staff, as of January 1938, comprised 40 positions under the superintendent, as follows:

	<u>Annual Salary</u>
<u>Administrative (3)</u>	
Record clerk	\$ 1,800
Assistant state agent (bookkeeper)	840
Assistant state agent (stenographer)	780
<u>General Care (23)</u>	
Head matron	1,080
Matron (15)	600
Nurse	720
Nurse (5)	600
Nurse	540
<u>General Household (7)</u>	
Cook	660
Cook (2)	600
Cook	540
Cook	420
Laundryman	1,020
Janitor	1,020
<u>Field Supervision and Investigations (2)</u>	
Assistant state agent	1,500
Assistant state agent	1,200
<u>Buildings and Grounds (5)</u>	
Engineer	1,200
Fireman	1,020
Dairyman	1,500
Assistant dairyman	1,020
Gardener	1,080

Thirty-one of the above employees live at the home and receive in addition to salary three meals a day, living quarters, and laundry. Medical services are rendered to the home on a fee basis.

Expenditures and Receipts: Expenditures for the fiscal year 1937-38 were as follows:

Personal services	\$38,818.62
Contractual services	16,397.85
Supplies and materials	40,756.63
Current charges	807.78
Equipment	1,865.84
Major repairs	251.95
Total	<u>\$98,898.67</u>

The average daily population of the home in the year 1937-38 was 315. The current operating cost in the same period was \$96,780.88 (total expenditures less capital outlay). On this basis the per capita cost in 1937-38 was \$307.24.

The home is supported by legislative appropriations together with earnings of the institution. The thirty-first general assembly appropriated the sum of \$195,000.00 for the support and maintenance of the home for the biennium 1937-39. The earnings of the home in the fiscal year 1937-38 amounted to \$1503.89 which were derived from the sale of livestock.

The home has a special mil levy, for building purposes, of .00696 of a mil on each one dollar of assessed value of all taxable property in the state for each of the five years 1937-1941 inclusive, and a levy of .00464 of a mil on each one dollar of assessed value of all taxable property in the state for each of the five years 1942-1946 inclusive. An amount of \$3961.17 was received from this source in the year 1937-38 but no expenditures were made.

Soldiers' and Sailors' Home:

Functions: The soldiers' and sailors' home was established in 1889. The first admission to the home was on September 29, 1889.

The home is maintained for the care and treatment of honorably discharged soldiers, sailors, and marines who served in the union or confederate armies, in the Spanish-American war, in the Philippine insurrection, in the China relief expedition, in the world war, or in the regular or volunteer army or navy in any foreign war or Indian war in which the United States has been engaged, and who have been bona fide residents of the state for at least one year next preceding the application for admission except where the applicant was a member of a Colorado regiment of troops serving in any of the above wars. The wife of any member of the home who is dependent upon him for support and who is over fifty years of age, or was married to the member prior to 1912, may also be admitted to the home, except that a wife under fifty or married after 1912 may be admitted if she is an invalid or if the husband is a confirmed invalid and requires the constant attention of the wife. The wife of a member may remain in the home for the rest of her life if she is in the home at the time of the death of the member. The widow of a deceased soldier, sailor, or marine may be admitted to the home if her husband was eligible for admission.

The population of the home over a period of years is as follows:

January 1, 1926	172
" 1928	154
" 1930	185
" 1932	200
" 1934	185
" 1936	156
" 1938	189

The average daily population during the fiscal year 1937-38 was 139.

Organization and Staff: The home is governed by a board of commissioners consisting of four members, one of whom may be a woman, appointed by the Governor with the consent of the senate for four-year terms, together with the department commander of the Grand Army of the Republic and the department commander of the United Spanish War Veterans serving as ex officio members.

Each member of the board, with the exception of the woman, must be an honorably discharged soldier, sailor, or marine.

The board elects its president, secretary, and treasurer every two years at its April meeting. It is charged with the care, control, and direction of the affairs of the home and is accountable directly to the Governor.

The board appoints the commander of the home pursuant to the provisions of the classified civil service.

The commander receives a salary of \$2400 a year in addition to maintenance and living quarters for himself and family.

The staff, as of February 1938, comprised 39 positions under the commander, as follows:

Administrative (3)

Adjutant
Commissary sergeant
Utility clerk

General Care (4)

Ward sergeant (2)
Matron
Librarian

(Cont'd)

General Household (13)

Baker
 Cook (2)
 Assistant cook (2)
 Waitress (4)
 Dishwasher
 Janitor
 Laundryman
 Assistant laundress

Medical Care (6)

Resident surgeon
 Head nurse
 Nurse (2)
 Nurse attendant
 Hospital orderly

Buildings and Grounds (13)

Engineer
 Night watchman
 Fireman (3)
 Dairyman
 Farmer
 Farm laborer (5)
 Laborer

A chaplain renders religious services and is compensated at the rate of \$20.00 per month. A pianist is employed at the rate of \$5.00 per month.

In addition to cash compensation, the employees of the home receive maintenance.

Expenditures and Receipts:

Expenditures for the fiscal year 1937-38 were as follows:

Personal services	\$29,588.30
Contractual services	6,214.26
Supplies and materials	30,753.53
Current charges	1,247.72
Current obligations	110.00
Equipment	856.08
Total	<u>\$68,769.89</u>

An examination of expenditure vouchers revealed that the home exchanged wood for food supplies and recorded only the net transaction on the books of account. This is a bad practice and should be discontinued.

The home sells gasoline to some of its employees. The gasoline pump, however, does not register and no inventory records are kept. It is recommended that this practice be discontinued.

The per capita cost in 1937-38 (computed on basis of total expenditures less capital outlays) was \$488.58. The home is supported by legislative appropriations and by earnings of the home. The thirty-first general assembly appropriated to the home the sum of \$100,000 for the biennium 1937-39. The law governing boxing and wrestling provides that the excess of receipts over expenditures of the boxing fund shall be appropriated by the general assembly to the soldiers' and sailors' home. An amount of \$1500 was appropriated from this source for the biennium 1937-39.

The earnings of the home during the fiscal year 1937-38 were as follows:

Sale of potatoes	\$ 2,524.70
Sale of livestock	2,086.00
Garage rent	995.00
Sale of meals and lodging	373.50
Sale of gasoline	163.76
Sale of wool pelts	103.03
From federal government	9,787.83
From other sources	<u>957.10</u>
Total	<u>\$16,990.92</u>

It was admitted by the officials of the home that some earnings of the institution are not deposited with the state treasurer but are deposited in a so-called "commissioners' special fund" and used to purchase equipment and articles not allowed by the executive council but which are badly needed at the home. It would appear that this practice is in violation of law, and should be discontinued.

Comments on the Existing Situation with Regard to Supervision of State Institutions:

There is a definite need for an agency to coordinate the policies and supervise the work of the various state welfare and correction institutions and to provide them with central services.

Most of the problems of institutional management are the same regardless of whether the institution is for treatment, correction, or simple housing and care. In all of them the patients or inmates must be housed, fed, clothed, and given some degree of medical treatment; the buildings, grounds, and service facilities must be operated and maintained; records of patients or inmates must be kept; and in most of the institutions, farms, canneries, or other production enterprises must be operated. In fact, at least half of the expense is for activities almost entirely removed from any influence arising from the class of patients or inmates. There are, therefore, many advantages to be derived from a common management of all of these institutions.

There would be the advantage of ultimate economy in providing a central agency to coordinate the work of the various institutions and to improve the practices of all institutions having like problems by taking advantage of improved methods developed in any particular institution. Well qualified persons in a central administrative organization to deal with such matters as production enterprises, mechanical engineering, building maintenance, dietary, housekeeping, nursing, and medical activities would more than justify their salaries by the increased effectiveness that would be expected as a result of their activities.

The services and activities of the Colorado state hospital, the state homes and training schools for mental defectives, and the Colorado psychopathic hospital, all of which are dealing with mental cases, are not now properly coordinated. Each institution operates independently of the other three institutions; and there is no common policy among them with regard to caring for the patients.

In another field, there is need for improvement in the present organization. Each of the institutions conducts its own social service work if it does any at all. These services are on a skeleton basis and need expansion and coordination under central authority.

There are many advantages to be gained by bringing together under central supervision and coordination all activities undertaken by the state and its local subdivisions in the study of their crime problems, and the rehabilitation of persons convicted of crimes and the checking of those headed toward a career of crime. These activities include social welfare work; juvenile and adult probation supervision; the fixing of prison terms; the granting of paroles and the supervision of parolees; the individualized treatment and training of juvenile and adult offenders; the specialized treatment of the mentally defective and sexually abnormal; and other related activities. The greatest advantage in consolidation of management would be in the opportunity afforded to develop a well-planned state-wide program for the effective handling of all these related activities all of which have common social objectives. The next important advantage would be the opportunity afforded to accomplish the desired results with a minimum of cost to the taxpayers. And another important advantage would be the opportunity afforded to bring together all pertinent facts having a bearing on the individual cases and on the broad field of social rehabilitation and adjustment.

There is a close relation between parole, the fixing of sentences, and probation. All three are very important parts of the state's general system of dealing with anti-social conditions and with persons developing and displaying anti-social tendencies and committing anti-social acts. Most authorities agree that whatever activities are undertaken by society in combating crime and rehabilitating the criminal, other than the police and legal functions involved in apprehension and conviction, should be coordinated. While the activities may be different, they are closely related as to purposes and methods.

It is not unusual to find a family with the breadwinner in jail, prison, or a state hospital, and with the rest of the family on relief. In fact, the probation officers, the parole officers of the state institutions, and the relief workers, in many cases, have to deal with members of the same families. Such families present social and economic problems which cannot be solved by the independent, uncoordinated activities of a variety of state and local agencies. The family can best be handled as a unit through one agency charged with coordinating and supervising all social welfare activities.

One step in coordinating the various state and local social welfare activities and eliminating duplication of effort and staff, would be to combine all parole and probation activities under one supervising authority. Parole supervision and probation supervision are alike in methods and objectives. The qualifications for parole officers and probation officers are the same. The territories which they cover are the same or overlap and often they are interested in the same families.

While the boys' and girls' industrial schools have as their primary functions the education and training of delinquent minors, their support and maintenance functions present problems similar to those of other state institutions. The boys and girls must be fed, clothed, housed, supervised, and disciplined, and medical diagnosis and treatment must be provided them. The state must operate and maintain comparatively large physical plants to accomplish these purposes. Consequently, it seems logical that the functions and services of these schools should be coordinated with those of other state institutions, except that their courses of instruction and teaching activities should require the approval of the state department of education.

The operation and maintenance of the soldiers' and sailors' home, the state home for dependent and neglected children, and the school for the deaf and the blind, present many problems identical with, or very similar to, those at the boys' and girls' industrial schools.

It is recommended, therefore, that all state institutions having among their functions the custodial care of patients, inmates, or other resident beneficiaries be placed in a single department. Wherever it is deemed necessary, an advisory board might be retained in conjunction with an institution, but no such boards are really needed and none should have any authority beyond that of advisory powers in the operation of the institution. Such boards have little, if any, value unless it be to exert pressure on the legislature for larger appropriations. Of course if the superintendent of an institution chooses to appoint an unofficial "advisory" board as a means of interesting the community in the institution, there should be no objection.

Proposed Department of Institutions:

Functions: The functions of the department of institutions would comprise all administrative functions of the state in relation to the control, management, and supervision of state institutions other than the institutions of higher education. They would include all the functions of:

- (1) The governor with respect to the granting of paroles and the management of institutions.
- (2) The division of public welfare, and the board of visitors, with respect to inmates and paroles.
- (3) The warden of the penitentiary, the warden of the reformatory, and the superintendent of the state hospital, except as to the resident management of their respective institutions, which officers would be subject to the general direction and supervision of the head of the proposed department.
- (4) The regents of the university of Colorado with respect to the Colorado general hospital and the Colorado psychopathic hospital.
- (5) The board of control of the industrial school for girls, except its functions with respect to the approval and supervision of educational programs and teaching activities, which approval and supervision would be vested in the proposed department of education.
- (6) The board of control of the state industrial school for boys, except functions with respect to the approval and supervision of educational programs and teaching activities, which approval and supervision would be vested in the proposed department of education.
- (7) The board of trustees of the Colorado school for the deaf and the blind, except functions with respect to the approval and supervision of educational programs and teaching activities, which approval and supervision would be vested in the proposed department of education.
- (8) The board of control of the state home for dependent and neglected children, except functions with respect to the approval and supervision of educational programs and teaching activities, which approval and supervision would be vested in the proposed department of education.
- (9) The board of commissioners for the state homes and training schools for mental defectives.
- (10) The board of commissioners of the soldiers' and sailors' home.

- (11) The Colorado state planning commission with respect to planning state institutions other than institutions of higher education.

The department would provide such technical staff services as may be necessary for all institutions under its jurisdiction, relating to central planning, supervising, and directing state use industries and the business aspects of the occupational therapy units of the institutions, and to central planning for and coordinating of operations of farms and dairies at the institutions. It would also provide technical staff services in planning construction to meet the physical needs of the institutions and in supervising plant operations and maintenance. The department would also provide such central supervisory and consultative services in medicine, psychiatry, and the adjunct diagnostic and therapeutic fields as might be needed.

Consideration should be given to making all sentences and commitments to state institutions through the proposed department of institutions. All commitments should be made to the custody of the department and not to any specified institution. The department should have the power to transfer any inmates from one institution to another, and to grant furloughs and paroles, under such restrictions and limitations as may be provided by law. In this connection it would be desirable for the state to adopt an indeterminate sentence law and also to provide for combining all probation and parole work.

State Board of Institutions: A state board of institutions would be created, consisting of five members appointed by the Governor for five-year overlapping terms. At least one member of the board would be a woman. The board would have advisory, quasi-legislative, and quasi-judicial functions. The board would pass upon the classification of inmates and the parole of inmates from state institutions, on the basis of case reports prepared under the direction of the head of the department. The board would have full authority to grant paroles to inmates of state institutions, to revoke such paroles as necessary, and to order transfers of inmates between institutions under such restrictions as may be provided by law.

Managing Authority: The managing authority of the proposed department of institutions would be vested in a director of institutions appointed by the governor. His term of office would be indefinite, but he would be subject to removal by the Governor for cause. Under the present provisions of law relating to the civil service, the position of director would be included in the classified civil service.

All functions, powers, and duties vested in the department, except those specifically assigned to the board, would be exercised under the authority of the director.

The director of the department should be adequately qualified by both training and experience to direct the management and operation of the institutions under the jurisdiction of the department.

The heads of all divisions and institutions of the department would be appointed by the director from eligible lists established by the proposed state department of personnel for the competitive civil service. The heads of the divisions and institutions would not be responsible for the determination of general policies, rules, and regulations, but they would be responsible for the immediate direction and supervision of the work of their respective divisions and institutions. They would also serve as staff technicians and specialists and would consult and advise, when requested, with the director and the board on matters of policy and rules.

Internal Organization: The internal organization of the department might be along the following lines:

Office of the director: To include the director and his personal stenographic and clerical staff.

Division of administration: To constitute the general business and service unit of the department. It would include all functions and staff having to do with general administration and interdepartmental service functions, such as, accounting and budgeting subject to the fiscal control for all state agencies; personnel; office services; information service; statistics; and such other central administrative services as may be found desirable, including central planning and supervision for physical plants, industries, and the like.

Division of admissions and releases: To include all functions and services of the department with respect to making case investigations and reports; consulting on and supervising of the care and treatment of cases of mental disease and mental deficiency in institutions; conducting outpatient clinics and other preventive work, including commitment, diagnoses, classification, care, and treatment from the medical and psychiatric standpoints in prisons and other state institutions as well as hospitals for the insane and mentally deficient; classification, assignment, parole, care, and treatment of all violators of the penal laws in and out of prisons, reformatories, and juvenile training schools; parole supervision and social adjustments of wards of the state in state institutions, including vocational placement and home-finding; and field investigations and case studies in connection with collections from relatives and estates of inmates.

Division of industries and farms: To maintain a central service for the planning, supervision, and direction of the state-use industries in the institutions and the business aspects of the occupational therapy departments, as well as to plan and coordinate the farming and dairy operations for the institutions under the control of the department.

Division of plants and equipment: To maintain a central service for planning the construction of plants and the technical supervision of plant operation and maintenance.

Details of organization should be left to the director of institutions with the power to appoint such advisory lay and professional committees as he may deem necessary to assist in the efficient operation of the affairs of the department.

Property of Colorado State
Department of Public Welfare
LIBRARY

Room 453, State Capitol Annex
Denver 2, Colorado

[illegible]

R360.306

Griffenhagen and associates.

Public welfare and the welfare
and correction institutions.

TITLE

1181

Gift.

DATE

RECEIVED DATE

DATE

R360.306

Griffenhagen and associates.

Public welfare and the welfare and
correction institutions.

1181

RECEIVED

JUL 29 2007

STATE PUBLICATIONS
Colorado State Library

Property of Colorado State
Department of Public Welfare
LIBRARY
Room 458, State Capitol Annex
Denver 2, Colorado